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**The Insider's Guide to Trading the
World Stock Markets**

**By
Andrew Willis**

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By Andrew Willis

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Please be advised that the data provided, especially the Web site links and market indices is current as of October 17, 2001, and are subject to change at anytime thereafter.

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The Insider's Guide to Trading the World Stock Markets

Introduction

The stock market is no longer a members only field game of stockbrokers playing the market. Like so many other industries, the Internet has changed the market and the way we do business. With the click of a button, the average individual now has access to the same information and facts that only stockbrokers were privy to a few years ago. Gone are the days when market traders and specialists had the advantage of profiting from the ignorant public.

With today's technology, you have the same opportunities as the professionals at your fingertips. The difference, of course, is knowledge and experience, both of which are within your grasp. High-speed access to information, providing real-time quotes and instant online trading has sprung day trading into a new profession of its own. People are realizing that they too can master the concept of day trading and compete professionally in a level-playing field.

Today the only obstacle in the path of a rookie is experience and that can be obtained only through time and practice. Even though nothing can compete with the reality of experience, a good education could help prepare you and that's the purpose of this book. The fact is there are many possible gains from the market, but there are also just as many losses. The tips in this book are designed to help you avoid the same mistakes that others have made when they started out. Bear in mind that these tips will not guarantee you a winning trade every time, but by following our advice, you will keep your losses to a minimum.



This book begins with a basic overview of the stock market and gradually migrates toward the intermediate level of specific tips and profitable strategies for survival in the industry. Most of the informative advice, issues, and content focuses on the interests of the online day trader. A glossary of stock market terms are dedicated to its own section in the back as a reference to beginners just starting out and for basic traders who wish to graduate to the intermediate level. For further reference, a list is included for the Standard & Poor's 100 Index and the NASDAQ 100 Stock Index.

No matter how intelligent you are, day trading is a risk. Why? Because it involves competition and emotion. That's why so many people have historically compared it to gambling. While trading is similar to gambling, it requires much more than pure instinct and luck. Day trading requires knowledge of the industry, diligence, the ability to absorb, decipher and react to the continuous tides of information encumbered with the internal conflicts of emotional pride, fear, despair, greed, and loss. If the prospects of winning are still a challenge and appeal to you in spite of the risks, then by all means, read on. Begin the journey of your day trading experience.





Key Market Structure

The term “day trader” gives the impression that all trades are opened and closed within the same business day. While this may be the case for most of us, there are some that could actually last longer than a day. Swing trading could continue for several days, while core trading could last into weeks.

The two largest playing fields in the stock market are the New York Stock Exchange (NYSE), and the National Association of Securities Dealers Automated Quotation System (NASDAQ). These two markets have very unique distinctions. The NYSE is the largest U. S. stock market located on Wall Street in New York City. The stocks traded at NYSE are generally referred to as listed securities, representing established companies with very large capitalization and consistent earnings. In contrast the NASDAQ is the second largest stock market in the U. S. and projects a higher level of volatility since it hosts emerging companies with less stability and security. Additionally, the NASDAQ Europe is available for market trading in Europe.

The London Stock Exchange (LSE) is the leading stock market exchange in the United Kingdom (UK), and considered the most international exchange trading system in the world. It serves the role as the UK Listing Authority (UKLA) to oversee the listing process, and ensure its rules are being met within the market. Similar to the NYSE and NASDAQ indices, the LSE uses the FTSE 100 Index list. The LSE market is divided between the AIM market, which is specifically tailored to meeting the needs of growing businesses worldwide, and the techMARK market devised for the technological-based companies.



NYSE

The NYSE is set up similar to an auction-oriented system, in which a specialist who is essentially an auctioneer represents the sale of a particular stock. Since all business conducted at the NYSE is open to full public view, the specialist opens the market by establishing two-way communication between buyers and sellers. Specialists may represent more than one stock, but only one specialist can represent the stock itself. Not only do the specialists oversee the stock exchanges, but they also have the ability to shift stock prices to better leverage liquidity. The idea is that all buyers are treated fairly and transactions are conducted smoothly in an environment where the investors concerns are top priority.

Stocks traded in the NYSE market are generally considered listed securities since they represent some of the larger, more established companies. Such businesses have huge capitalization and a long history of consistent earnings from year to year. Such security provides a market where prices are a little less volatile. Prices move at a more moderate pace and do not frequently shoot up and drop down at a moment's notice, providing an easier means by which to anticipate and predict market movements. For this reason alone, day traders find it easier in knowing when to make their move in the NYSE market.

If you decide to buy 200 shares of GE stock at market price, then you would need to place a market order. The market price is the most current listed price at the moment of your purchase. Your other option would be to place a limit order, which is a specific set price below the current offer. The specialist records your limit order until a matching seller is willing to sell at your set price.

Specialists are required to fulfill any orders they receive, meaning that if there are still unfulfilled orders at the end of the day, then they generally buy the stock themselves. The role of the specialist is to provide liquidity in the stock





they represent, even if it means risking their own capital to bridge what they hope are temporary gaps in the market.

There are three ways in which you can place a market order.

- You could place an order through your broker on the Internet or by phone. Your broker then sends your order to the NYSE floor where a floor broker who represents your broker approaches the specialist with your order. The price of your order will be confirmed through your broker.
- Once your broker receives your order, he/she could submit your order through a SuperDot machine, which is a computerized system that sends your order directly to the specialist. From there your order is fulfilled at the exact price and number of shares and sent back to your broker, who then informs you of the news.
- Skip the broker and place the order yourself on a level II order entry software system that contains a superDOT button for order execution. Send the order directly to the specialist and wait a minute or two for a response.



NASDAQ

The ownership of stock is traded very differently in the NASDAQ market than in the NYSE. First of all, the NASDAQ is a negotiated market where buyers and sellers fiercely compete for the best prices. Second, there are no specialists on the floor maintaining orders and acting as auctioneers. Therefore, all the transactions are based on a system where bids and offers are extended or posted on an electronic system. Third, most of the participating companies are newly formed businesses and evolving technology companies that lack a long history as proof of sustained business practices. This widely known fact is what makes the NASDAQ market so volatile and speculative.

The NASDAQ is comprised of levels one and two. The first level is considered the basic inside market. This area has the best current buying and selling prices and is used by stockbrokers and online investors who are committed to longer-term stocks. Level two is where the daily action happens, and where professional day traders at the NASDAQ spend most of their time. Since level two is most important to the day trader, the next section is completely devoted to the NASDAQ Level Two System.

NASDAQ Level II

Trading in the NASDAQ market is definitely more complicated than in the NYSE, especially at level two. The Specialists and SuperDOT machine make ordering systems seem very simple compared to the various order routing systems of the NASDAQ, such as SOES, SelectNet, and ECNs, which will be explained in greater detail later. Part of this complication comes from the many changes and upgrades over the last three decades since its creation. For instance, until October 30, 1998 the NASDAQ Stock Market and the American





Exchange Stock Market were two separate markets. Now that they have been combined as one market – the Amex Market Group, although they still operate very differently.

Think of the NYSE as a socialist system and the NASDAQ as more of a democracy. That doesn't mean you are better off trading at the NASDAQ. In fact, if just starting out, you would be better off getting your feet wet at the NYSE first. Your losses are likely to be less, giving you time to adjust and learn as you gain experience. The NASDAQ is too much of a roller coaster for beginners and even some intermediates. At least when you're riding a roller coaster you can see where the track is leading. NASDAQ doesn't even give you the courtesy of that advantage.

Where the NYSE has specialists maintaining a certain amount of control over the stocks they represent, the NASDAQ has what are known as market makers. Again, the difference between the two is very significant. For example, several market makers are allowed to participate in NASDAQ stocks at any given time and they generally represent stocks to the public.

Market makers are also referred to as dealers. They actively compete with one another to provide the best possible prices to the public. Therefore, the act of representation brings a certain vulnerability to the public in regard to pricing and lack of personal access to certain information. The National Association of Securities Dealers (NASD) operates the computer-based stock exchange and all electronic transactions from Trumbull, Connecticut. Because of the power market makers have over the public, the NASD goes to great lengths in the prevention of price fixing, and imposes heavy fines for any such known or discovered violations. According to NASD rules, market makers must provide the following:



- 1) A liquid market in which there is a constant buying or bid price, and overtly a selling or asking price.
- 2) Execute customer orders of both large and small investors.
- 3) Trades for their own accounts in utilizing their experience to keep the market rolling.

Many day traders think of market makers as their professional enemy when caught up in the whirlwind of things. In reality, market makers are a huge part of the over all scheme of things. They are a great resource in the business if you are open-minded enough to observe their actions and gauge the weaknesses and strengths of their strategies.

As a trader on the NASDAQ, you can buy and sell stocks in one of two ways:

- Place an order with your broker via phone or Internet. Your broker will send your order to the market maker to fulfill the order. Your broker then informs you of the completed order.
- Bypass the broker all together and place your order through a sophisticated online system where you can click the Buy button. No waiting for confirmation is necessary. Either you see your order fulfilled immediately or it slips in line as an ECN order along with all the others, including the market maker orders.

At this point it might be helpful to know more about an ECN order, or otherwise known as Electronic Communication Networks. The development of ECNs in the NASDAQ trading system practically revolutionized the system from its earlier days. It has enabled individual investors and small institutions the ability to manually post bids and offers directly into the market. This has greatly improved the overall liquidity of stocks, increased competition, and effectively





lowered prices. Since then it has become apparent that most prices posted by ECNs are generally more competitive than those posted by market makers.

Although, ECNs are becoming increasingly popular with each year, they still do not provide the responsibility of liquidating stock as market makers do. Therefore, fewer orders are processed through ECNs than through market makers. The value of the ECN is the fact that it is convenient for people to communicate buying and selling agreements through an electronic system that doesn't require them to leave their office, is fast in processing transactions, and easy to perform.

NASDAQ Level II Definitions

When you first look at a NASDAQ Level II online screen or other reports, you might feel you need a decoder reference or at least a translator. There are several symbols and abbreviations that mean different things. The colorful image to the right is an actual screenshot

BRCD		25.50	↑ -1.10	200	Ot	11:09
Bid	↑	25.49	Ask	25.51	Vol	2707000
# Bid	2	# Ask	2	Spread	.02	
High	26.61	Low	25.35	Close	26.60	

Name	Bid	Size	#Best	Name	Ask	Size	#Best	▲
INCA	25.49	5	495	BTRD	25.51	4	85	
ISLD	25.49	1	667	ISLD	25.51	1	641	
LEHM	25.46	10	3	GKMC	25.55	1	1	
REDI	25.44	4	156	SCHB	25.55	1	16	
NITE	25.43	5	8	MONT	25.55	1	5	
ARCA	25.41	4	69	FLTT	25.55	8	0	
MKXT	25.36	7	49	MKXT	25.57	4	37	
CANT	25.35	1	0	ARCA	25.58	5	127	
MLCO	25.35	2	7	BARD	25.60	10	1	
FBCO	25.35	1	1	NITE	25.60	49	5	
SCHB	25.35	5	11	REDI	25.61	10	231	
MSCO	25.33	2	15	INCA	25.62	2	468	
MONT	25.33	1	2	COWN	25.65	1	1	
SBSH	25.30	1	8	NDBC	25.65	1	3	
HRZG	25.30	2	24	HRZG	25.65	20	23	
CIBC	25.29	1	0	MSCO	25.66	3	10	
UBSW	25.28	1	6	BRUT	25.75	1	44	
ABNA	25.25	1	2	PIPR	25.92	1	4	
BARD	25.25	10	0	JEFF	26.00	1	4	
SLKC	25.24	1	4	DAIN	26.00	1	0	
CEUT	25.22	1	0	MWSE	26.05	10	4	▼

NASDAQ Level II Screenshot



of Level II. The list of definitions below, are intended as a quick cross-reference to help you decipher the meaning of some of the listed abbreviations. Please realize that this table only includes the necessary basics and not all abbreviations are included.





<i>Abbreviation</i>	<i>Definition</i>
C	Yesterday's closing price
O	Today's opening price
H	Today's highest price traded
L	Today's lowest price traded
S	Status (+ or -) since the last trade compared to yesterday's close
R	Number of market makers or ECNs at the inside bid vs. inside ask
V	Number of shares traded since opening
BID	List of buyers with ID, price posted, and size
ASK or OFFER	List of sellers with ID, price posted, and size
INSIDE BID	Best current buying price
INSIDE ASK	Best current selling price
TIME & SALES	Actual transactions report. Even though all trades are immediately reported, this column sometimes reflects delays
MM/ECN ID	Abbreviations representing market maker or ECN
PRICE	Price posting, in which prices are generally rounded up. Some software may reflect non-rounded numbers.
SIZE	Order size, usually quoted in 100 share multiples.
MM	Market makers or Dealers representing NASDAQ firms, holding inventory, executing orders for customers, trades, and even their own accounts. Also, consists of brokerage houses & wholesale brokerages.
ECN	Electronic Communication Networks that are privately operating to facilitate market bids & offers directly into the NASDAQ, and are not required to create markets.



European NASDAQ

The European NASDAQ is a European Trading System (ETS) that operates around a market maker system as in the U.S., but it is further customized to European practices to accommodate the international market. ETS is a sophisticated state-of-the-art trading platform on a fully automated technology system with the ability to support nearly 2.5 million daily trades. One of the intended roles of ETS is to drive down the large costs of cross-border trading.

The range of securities that are available through the European NASDAQ includes the Listed Financial Instruments and the Traded Financial Instruments. The market makers are required to maintain quotes in registered securities for the trading day. The following rules must apply for each quotation:

- The quotation should be entered in the currency of the security
- Offer the Minimum Quotation Size (MQS) for that security on both the buy and sell sides of the quote
- Entered in a principal capacity
- Represent trading prices for standard agreements

LSE

The LSE is the UK's main stock market as well as the world's leading exchange for international businesses worldwide. The LSE is a historical market dating back over 200 years to its initiation. Traditionally, it operated as a floor-based exchange system until it became the first major exchange to implement screen-based trading. Innovation and flexibility eventually propelled the market

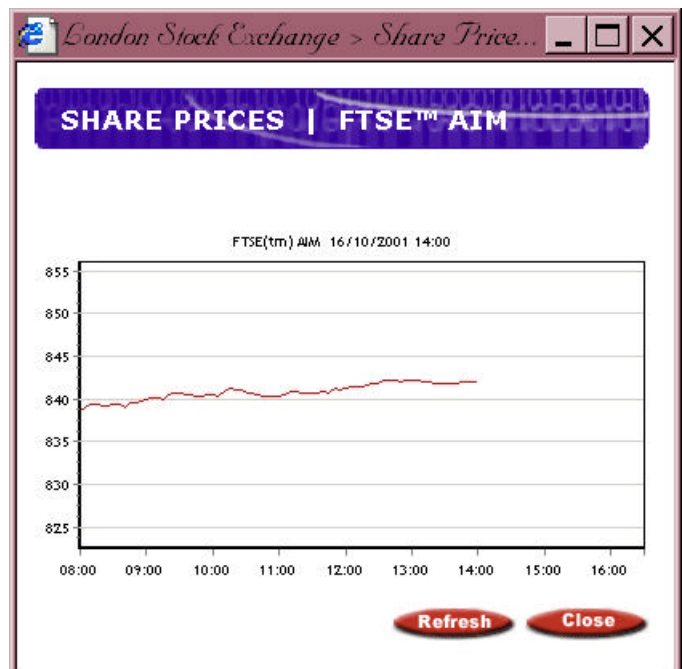




from face-to-face trading to a quote-based system of trade on an electronic bulletin board known as the Stock Exchange Automated Quotations (SEAQ).

In 1997, the LSE leaped forward again when it instituted a new fully electronic, automated trading system that significantly changed the market's functionality. In addition to simply providing a composite for price distribution and other necessary information for trade reporting, it now provided execution processes by matching up buy and sell orders. The new system reduced transaction costs and helped to narrow the spread between buy and sell prices, including attracting new businesses and greatly increased cross-border stock trading.

The LSE is made up of two market segments known as AIM and techMARK. The AIM market was instituted in 1995 for the specially tailored needs of growing businesses worldwide. This market provides a medium for investors who believe in the potential growth of new companies. It has proven as a significant vehicle for growth and realized potential as the total combined capitalization of AIM companies was up to £13.3 billion in April 2001. The market's flexibility has made it a marketable, attractive listing investment for a wide range of companies around the world from young to financially backed businesses even with long-term operating practices. Companies of all industries are involved in the AIM market from innovative technology based firms to distribution and leisure businesses.



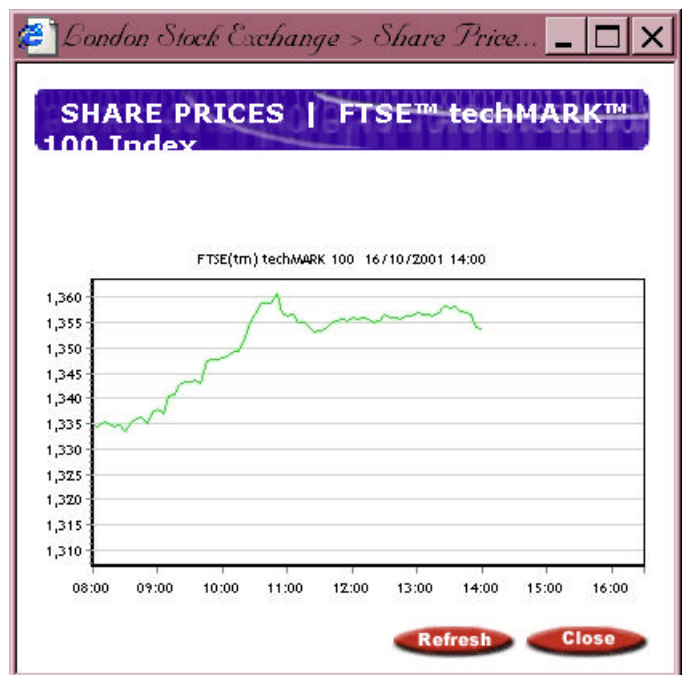
FTSE AIM Chart from the LSE Web site.



The techMARK market was launched in 1999 to meet the needs of innovative technology businesses as they embark on the routes of new challenges and untried technologies. All the member companies of techMARK have similar goals and a common commitment to the technical industry. Even though many of the techMARK member companies range from various industries, the predominant industry of this market are businesses in software development and computer services, including biotechnology, Internet, semiconductors and fiber optics. Information for techMARK includes statistics on daily trading, index values, business sectors, and market capitalization through numerous charts, and FTSE approved indices. It would be interesting to note as of July 2001, techMARK had a market capitalization at £453.3.

The LSE also provides a landMARK service that highlights the potential of quoted companies in all areas of the UK. Access is given to detailed information regarding the local landmarked areas of England in the North West, South East, South West, North East, London, and Yorkshire, including East Anglia, Midlands, Wales, Ireland and Scotland.

The extraMARK services provided by the LSE were designed for investment firms to provide unique business opportunities. The focus is on attractive portfolios for investors of varying sizes with innovative development and trading capabilities. The first product launched from extraMARK were Exchange Traded Funds (ETF), which integrate the



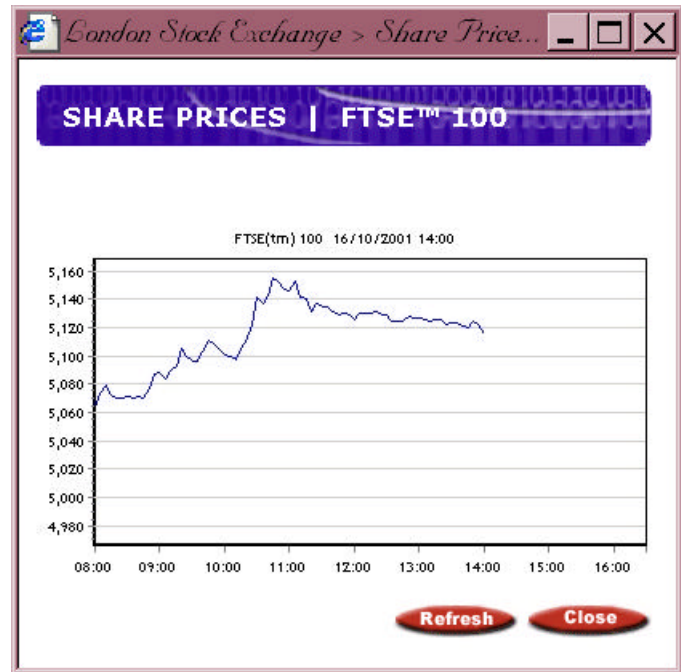
FTSE techMARK Chart from the LSE Web site.





performance of traditional tracker funds with the needed flexibility of ordinary shares. ETFs also trace the investment performance of various indices.

Just as the NYSE and NASDAQ markets use specific indices as market indicators, the LSE uses the indices calculated from the FTSE, a non-exchange index calculation specialist that professionally constructs indices recognized worldwide for their accurate reflection of investment markets. The LSE most notably uses the FTSE 100, including other global indices known as the FTSE All-World, the FTSE World Index, and the FTSE Eurotop Indices.



FTSE 100 Chart from LSE Web site.



Stock Trading vs. Gambling

You can have all the resources, tools, knowledge and experience at your disposal, but if you cannot get a grip on your emotions, most likely you won't do very well in the stock market. Active participation on a daily basis can wear and tear on your nerves, especially in the NASDAQ Level II market where there is considerably more risk. You must learn to manage your own psychological reactions to risks, winning, losing and continuous temptations. Controlling your emotions in an illogical manner isn't something you learn over night. Emotions are natural reactions to other stimulus in our lives. For example, if someone pulls a gun on you, your first inclination might be fear, panic, holding your hands up, yelling "don't shoot", and possibly all of those things. It's natural to feel that way. You are not likely to say something such as, "Hold on a minute. I need a good cup of coffee first." That would be a calm, unworried response.

When you've lost thousands of dollars you have invested, the last thing you want to do is remain calm, unworried, and run home to tell your spouse the not so lucky news. Your first inclination might be to get it back as quickly as possible, which leads people into unwarranted, rash decisions that could possibly turn out to be even worse. Get a grip. Be patient. Weigh the possible outcome risks with your next available choices. Don't make a bad or unlucky decision create a domino effect of other misguided choices. If the temptation to do something quickly is still floating among your brain cells, get away from the stock market. Take a break until you feel more relaxed and level headed, even if it takes several days. Do not make another move until your emotions are in check.

Nearly 80% of people who attempt this industry fail and quit. They either can't handle the stress, trade with their life savings, or they make several bad decisions out of ignorance or blind emotion. The first step is to recognize the limitations and tolerance while taking the risk and then accepting the possible





results of the risk. This is easier to do if you are trading with a stash of money you have set aside specifically for this purpose. However, if you are trading with your life savings, bill money or your retirement money, the outcome of losing it would be much worse than losing money you don't need to live on. This greatly increases your emotional stresses, thereby, greatly increasing your chances of making the wrong decisions and losing it anyway.

Risk

Many people think of stock investments as no more than gambling away money. That's because most people have no real understanding of choices. They think of labor as the only means of making money and winning money by chance, strategy, or even by decision-making skills is nothing more than a risk, and therefore, not worth it. Of course, fear is always the first reaction to something we don't understand.

One thing you must understand is that there are methods and strategies to solving problems and finding successful solutions. History is filled with incidents where leaders and common citizens alike have been faced with decision-making that involved some type of risks. Not all risks are negative, actually you make certain decisions in hopes of risking a positive outcome, knowing there may be a sacrifice in the long run. When King Edward VIII decided to marry an American commoner who also happened to be a divorcee, he risked giving up his claim to the thrown of Great Britain. In 1936, he abdicated the thrown for love and what he hoped would be a happily-ever-after marriage. He was taking a risk. What if a bus had hit her on the day after their marriage? No one can predict fate, not even the specialists at NYSE, or the market makers at NASDAQ, and certainly not you.

The bottom line is this – most people would rather risk their hearts, their credit, homes, lives, anything than money. Hard to believe? Think about it.



Each time you use your home as collateral for a loan, you are risking the very home you live in. Every time you fill out an application for a new credit card, you are taking a risk that nothing will happen to keep you from paying back that loan. Ever been laid off from work? If you've ever driven to work through snowy weather and icy roads, then you risked your life on that short trip. Ever been in a car accident? It's no secret that hazardous weather increases the chances of an accident, and yet, more accidents occur on perfect weather days. Why? Because nothing is guaranteed. Based on all these risk taking scenarios in our lives, why is it that we seemed to cringe more at the thought of entering the stock market for the first time, or taking more of an active role with higher risks, even as a day trader?

One possible reason is money. Stock trading is perceived as gambling since the wagering risk is real capital. Another common aspect is the concealment of emotion. If you've ever watched an old U.S. western movie, then you've probably seen the cowboys playing a poker game as the camera swerves to carefully scrutinize each player's face. The best players always keep a straight face, never revealing a good hand, a bad hand, or a decent draw. If you intend to play in the stock market, you've got to do the same.

The catalyst of stock trading is the extraordinary possibility of obtaining lots of money very quickly without having to labor your life away. It represents many American dreams and inspires our passions for taking unusual risks. Unlike gambling which only requires dumb luck, stock trading involves technical knowledge of the investment markets, emotional control, strategic maneuvers, ability to make historical predictions, and above all experience.

When dealing with risk, the key isn't having the guts to take a huge leap, but rather assessing the risk and managing it through a planned strategy. Never enter into a trade that will provide a poor risk-to-reward ratio. Weigh your costs





as opposed to what you expect to earn in the process. In other words, risking two points to gain half a point isn't worth it.

Pay attention to what's happening in the market. When the market appears to be extremely strong, it may seem to be a good idea to jump on for the long ride or else miss out, but what you might actually experience is a sharp plummet. Historically this has been the case for many different investments. If everyone is taking a long position, then they are very confident and expect the market to soar even higher. To make this happen, more buyers need to enter the market. The reality is, if everyone is on the long side, then that doesn't leave many people left to buy.

Confidence

Confidence provides you with power to make effective decisions. It also gives you the ability to learn from your mistakes and the faith to keep going. From the beginning, most people are losers in the stock market. The ones that transform that losing streak into substantial winnings have confidence in their abilities even when they're down. And if anything is for certain in the stock market, it's the fact that the market represents a roller coaster ride that will carry you up and down without a moment's notice.

It's a myth to think that playing the stock market is a get rich quick scheme. The truth is that stock trading is a longevity business based on consistency, capital preservation, and the building of equity. It takes confidence in your strategy, planning, and risk taking to pull it off. You've got to be willing to accept small losses and able to keep them at a minimum. This idea may not suit well with you, but consider the alternative, suffering huge losses. Why? Because you must be realistic enough to understand that you can't possibly win every trade no matter how good you think you are or how much you've studied and know.



Remember that consistency is another key ingredient to your over all success as a day trader. Just as you may be experiencing a few minor losses here and there, you may experience consistent small wins. This is not a discouraging thing. So what if you notice a few winners cashing in on the big bucks? Their winnings might have been from pure luck and less likely to happen again. Your small steady wins are from a well-developed strategy and will likely happen over and over again. That's the difference between a one-time success and a lifetime successful career. What you are doing is demonstrating the ability to accumulate equity.

It would be a grave mistake to change your decisions based on the wind and frolic behind other winners racing to the cash register. They may be having luck now, but even luck runs out at some point. Ignore this temptation as best as you can and go with your instincts and what you know. Don't allow your emotions to override your instincts.

Patience

Know when to take a cut on your losses and leave the game. It doesn't make you a quitter. What it does is preserve your capital for another trading day. Good poker players know when the stakes are too high to play against. They fold before it gets worse, taking their losses or their wins without tempting fate any further and moving on.

Part of having patience in the stock trading world is being able to stand back and take time to observe the market with objectivity. The other part of patience is having the discipline to execute your plans. This involves all the emotional elements of accepting and recognizing risk, managing trades with confidence, and exercising patience through analysis, objectivity, and making your moves through steady execution.





It isn't easy to preserve equity and accumulate it over a sustained period of time, especially if we think we could do so much better, faster. As people we always want things NOW! Good things really do come to those who are patient.



Day Trading Strategies

Only an immortal trader would be able to accurately predict the sway of the stock market and win every trade. Since this is highly unlikely, we are left to rely upon our experience, knowledge, risk management assessment, and strategies of various trading styles to survive and prosper in an ever-changing, unpredictable market. While consistency is very important to succeed in the stock market, it is just as detrimental to be flexible. Think of a tree with deep roots that is so stiff and solid during a howling wind that its trunk is unbending and snaps from the intense pressure. However, a small weed with roots will easily bend to the wind. The difference is that it doesn't snap, it isn't uprooted, and it's still there in the end. The goal is to develop a systematic trading style that works for your needs, meets your personal expectations, and brings about success as you define it.

The three basic styles are scalp, swing and core trading. While all three of these trading systems have consistent elements and characteristics that identify them, their core ideological structures goes very deep and beyond the basics. Even though you are likely to develop a particular style that you prefer, a good, solid education on all trading styles with the ability to use them interchangeably as needed brings an overall approach to stock trading.

Scalp Trading

Scalp trading is a way of profiting from price fluctuations in the stock market. These trades are usually fast and sometimes difficult to judge, lasting from seconds to mere minutes with only 0.125 to 0.5 point gains. When just beginning, trade with small shares to reduce the cost of learning as you gain experience. Think of it as baby steps. Most people that put on skis for the first time, wouldn't likely climb the highest mountain in Denver, Colorado before at





least attempting a few beginner slopes. Find a few your beginner trades before you jump into to the market full force with challenging profits in mind.

This kind of adventure requires gaining experience the old-fashioned way through trial and error. Due to the quick time frame of scalping, there are various levels of risk-rewards ratios and strategies used. The best scalp traders have trained themselves to think quickly on their feet and to place numerous orders like second nature. Hesitation is always a risky cost in the stock market, but even more so when scalp trading.

Before you even begin a scalp trade, do your research on what's happening in the market. Once you've narrowed the market down to a few possible targets, check the daily chart for resistance levels. If it's only $\frac{1}{4}$ to one point away, abandon this target and find another one. You want a target trade with more leeway than that. Remember that you are looking for opportunities with low risk and high earning probabilities. A trade already near the resistance point greatly decreases your profitability.

By now you realized that charting is very important and necessary to determine your trades, market trends and what steps you want to take next. You must have access and take the time to review the entire chart so that you can see exactly how the up-to-minute trades are affecting the stock. Be sure to check out the following issues:

- Today's highs and lows
- Yesterday's highs and lows
- Gaps from yesterday's closing price to today's opening price
- Include yesterday's critical pivot areas

When scalp trading, only risk as much as 0.125 spread or less. This reduces your risk, especially if you are inexperienced or uncertain of where the



stock is heading. Such trading strategy is designed to win a fast profit and exit quickly. It's very necessary to capitalize on breakouts and breakdowns while they are in full momentum. Scalping is an attractive trade to many because the risks are smaller. While this may seem logical and cautious, scalp trades happen very quickly and add up during the day. These small risks in multiple numbers turn into huge losses once they are calculated into one large lump sum.

There are a few strategies to consider when setting up a scalp trade. Try your best to consolidate near the day's high. This may not be possible early in the morning, but toward the afternoon as market fluctuations occur, good spikes appear on the charts, ripe for scalping profits. As the stock moves, you should follow sideways in a steadfast manner. You have the option of buying on the breakout point at 0.125 point above resistance, which is probably easier. Your other choice is to buy right before the breakout, but this step is more difficult and requires precise timing. If you are too early, you risk the possibility of the stock reversing. One guaranteed strategy would be to buy only half your planned lot size before the breakout, and the other half at the breakout moment. When you make a profit, you can sell the first half. If possible, allow the other half to rise one or two levels higher. This way you covered either way.

Whether you plan to scalp as a day trader full-time or part-time, use the following considerations to play your game:

- **Profit Objective** – Gaining small profits on temporary price fluctuations that occur throughout the trading day. Scalpers must have the ability to recognize the momentum of order flows, jumping in the trade right as the price fluctuates and risking no more than the intended gain and then getting out fairly quickly. Otherwise, you risk prices moving against you.
- **Frequency** – Since the profits in scalping tend to be smaller, the frequency of such trades are higher. This means that





scalpers increase their commissions by performing more trades. Resist the temptation to over trade, especially if you aren't 99.9% sure of making a consistent profit.

- **Time Intervals** – Generally, scalp trades only last from a few seconds to a few mere minutes. They can last as long as a couple of hours at the most, but this is more rare.
- **Order Placement** – The success of scalping tends to evolve around placing the orders. Because scalping is a very fast process, your ability to get in and out of a trade is detrimental for making a profit. You must be able to think quickly and act with speed.
- **Software & Network Connection** – Again, speed is of the essence. If you don't have a fast enough connection to the Internet to gain access, expedite orders, and receive timely information in real-time, you are defeating your purpose of scalping and probably losing money, or else you could be profiting more. Likewise, your software program should be efficient and fast in making calculations, producing charts for viewing and toggling to screens without delay. You can't make fast, effective decisions if you don't have timely access to the information on which you are making decisions.
- **Competition**- Specialists and market makers representing themselves and huge multi-million dollar corporations are not only equipped with the latest cutting-edge technology, but they are very intelligent, savvy individuals who happen to be your competition. Sometimes an overcrowded market leaves very few slices of the pie.



As there are a few favorable conditions to look for when scalping, adhere to the don'ts below:

- **Don't be Biased** – Refrain from making market determinations without sufficient evidence. Let the market show you what it's going to do. Analyze the factors that may or may not prevent a stock from going in one direction or the other. Stay neutral and watch things closely so that you will be prepared to take action as soon as the direction of the market becomes clear.
- **Don't Chase** – Tracking the progress of moving prices is not the same thing as chasing it. Keep your position if a stock suddenly moves several levels. The larger a leap, likelier the fall. You don't want to be caught in this thunder twist.
- **Don't Bring Home a Scalp Trade** – Scalping is too quick and over night changes completely unpredictable. Before the end of the day, take your profits and cut your losses where they are. Tomorrow is a different day, and a different game.

Swing Trading

Think of swing trading as a strategy, utilizing the benefit of a trend in the stock market. Generally, a swing trade lasts longer than a scalp trade ranging into a few days. Usually swing traders are loyal to the trade, staying with it throughout the ups and downs of price fluctuation. This allows the trend to develop its course. Swing trading is less energetic and intense than scalping or other trading styles. In fact, it requires quite a bit of patience, more so than many other various trading styles. Swing traders search for intraday trends or trend reversals so that they can capitalize on price moves. The typical day of a swing

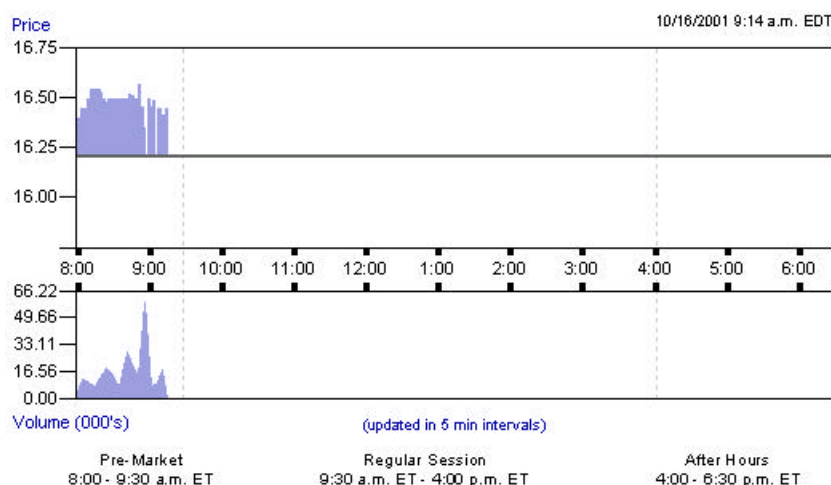




trader is greatly stimulated, if they are successful in catching a moment that turns out to be more than an impulsive fluctuation from daily orders.

Swing trades are not only different from scalp trades because of duration, but by the way they develop and how the market perceives them. Most swing trades are born from pattern and trend observations calculated and tracked on daily charts. These tracking procedures may actually take place over a span of several days with 15 to 30 minute intervals. Often stocks in upward trends will continue to go up for three days and then pull back for two days, or up for five days and then down for three. The numbers are the same but reversed for downtrends, whereas down for three days and then up for two.

It's a good idea to set your initial stop to $\frac{1}{4}$ below the day's entry low. Continue to adjust your stop each day as the stock moves up at $\frac{1}{4}$ below that day's low. One positive way to determine when to sell on a swing trade is when the stock's uptrend has made two pullbacks or downtrends and then two very distinct highs. You can manually draw a line at each break point, connecting the dots. Your stop loss, the point at which you will stop the trade to cut your losses and take your wins, should be at $\frac{1}{4}$ a point under the bottom line. If your stock falls below this line, sell.



NASDAQ Intraday Trading Chart from the NASDAQ Web Site.



The latest software technology has made tracking swing trades more accurate, efficient and easier. Links are possible allowing stocks to be viewed at the simultaneously from more than one perspective. You can compare and cross-reference daily charts to intraday chart patterns, including other chart types.

The ideal swing trader is up-to-date on current trends and very familiar with the public's sentiments. If you anticipate a bold, continuous trend in the market, you can then search for strong stocks with the likely possibility of breaking out beyond any previous resistance points. Even with all the new technology and interesting perspectives available to us, finding swing trading candidates can still prove to be difficult. You may literally search through hundreds of charts before discovering a few matching possibilities where the best conditions for the best risk-to-reward ratios exists.

The following are a few scenarios to watch out for in swing trading:

- **Use S&P 500 Index for Starting Point** – Watch the index for trends each day, marking the pivot points, and viewing various charts for several perspectives. Be especially attentive during the last hour of trading each day.
- **Target List** – Create a target list of possible swing trades with a significant risk-to-reward ratio. Begin your search with the S&P 100 and the NASDAQ 100 indexes. Then cross-reference your choices from various charts and narrow your list even further. Be patient and don't force patterns on your tired and weary imagination. Real trends will be obvious as you go through your search.
- **Chart Trends** – Keep consistent charts on recent plays and various trends, noting any gaps, all averages, resistance levels,





and critical pivot points. Include daily charts for technical keys that are specific indicators of averages on the move.

- **Remember Key Fundamentals** – Be on the alert for news with impact in the media that may boost or drop previous trends in the stock market. Stay objective and while you estimate and try to predict the fluctuation effects.
- **Exercise Discipline & Patience** – Set an entry point and a loss point and stick to it. The idea is to minimize your losses, preserve what you have for tomorrow's exchange, and to eventually win when the time is right. This is more of a mindset than anything else, but because you are in control of your market actions and choices, and no one has to know your intentions, it's very easy to change your decisions. Don't succumb to the temptation to waiver in your preset decisions. It not only puts you on an indecisive track, but undermines your trading confidence.
- **Ignore Greed** – Even if the stock you are trading has moved in your favor, you haven't made money until you have officially closed out the trade and completely eliminated further risk of loss. Remember that a small win is better than any loss. Again, exercise discipline in cutting your losses before they grow worse by waiting for an upward trend that might not happen, or for confirmation that it's all over.
- **Scaling** – Trace the stock as it moves forward in your favor, similar to trailing succinct pivot point stops. Be proactive in protecting your losses, not reactive when it's too late. In other words, it's better to be defensive than to suffer heavy losses. This requires exiting the trade if you are on the losing side and unsure of which direction the stock may charge.



- **Overnight Positions** – Since swing trades generally last over the length of several days, often it's necessary to stake a position overnight. Stocks even change overnight, so it is in your best interest to not close the day on a losing trade or with a particularly high trade with a large percentage share. You need to leave room in either direction for market gaps and unexpected reversal trends.

Core Trading

Unlike scalp and swing trading, core trading takes advantage of situations in the market that require longer lengths of time to develop. For these types of trades, market assessments and decisions are generally made after market hours due to the busy activities of the trading day. Both detailed fundamental and technical analysis are very important before executing core trades. The challenge of core trading tests a trader's skills at stock picking and predicting the future of stocks.

Traditionally, speculative technical markets have provided the conditional environment necessary for core trading. In many historical cases, the length of time for developing stock for a new business could be as long as a few months to a few years, while core trades are generally a few days to several weeks. These trading methods may require significant patience, but the possible profits from these markets are too great to ignore. Other key benefits to use core trading is for traders to hold specific positions as we wait for dominant trends in the market to further develop.

The following are necessary elements to remember when core trading:





- **The Core Trade Mindset** – Since a longer period of trade is a consideration, you must keep in mind the larger price fluctuations by staying in tune with the overall perspective. This is very different from swing or scalp trading in that you need to be as detached as possible for the busy intraday trading issues. The idea is to think more and react less over daily fluctuations.
- **Separate Accounts** – As an active day trader, you may be involved in scalp or swing trading in addition to your core trading activities. Having separate accounts for the your intraday transactions from your core trading actions will be easier to maintain, including the prevention unnecessary errors as you try to calculate your daily profits, losses and costs.
- **Dominant Trends** – On a daily basis check the major market indexes such as the S& P 500, the NASDAQ composite, and the Dow Jones industrials. Specific stocks can either be up, down or moving to the side. If the market is on an uptrend, buy pullouts and breakouts. If there's a downtrend, simply do the opposite. A sideways movement means the market is trading on uncertainty. In this case you need to maintain tight stops and go for the smaller profits.
- **Look for Strong Targets** – Choose potential targets that are breaking out with a history of good performance during bear phases. If it's possible that the market is moving toward a bullish market, these type targets may be a better investment.
- **Cheap Stocks** – It may be tempting to purchase the bottom picks, but it isn't necessarily in your best interest. Try to maintain the rules of trend and manage your risks in buying the stronger stocks and selling the weaker ones.



- **Technical Analysis** – Follow daily and weekly charts on technical indicators in the stock market. Know the resistance levels, the moving averages, and volume trends. After you set your stop loss based on this information, stick to it. Technical analysis is often tell you more than fundamental analysis.
- **Fundamental Analysis** – Fundamental news and analysis is often beneficial as a cross-reference with the information you derive from you technical analysis. Also, a very important news can promote a dominant effect or trend in the stock market.
- **Wide Stops** – Keep your reward-to-risk ratios realistic with the stock movement and as key market trends shift one way or the other. Continue to set your stops and exit points according to resistance levels from your technical and fundamental analysis.
- **Small Bets** – Small bets always keeps your risks lower than larger bets with more to lose. Several small winning trades could add up to a large, significant profit. The benefits of small bets include: 1) You can build a large trading position by adding to a little at a time as the market swings in your favor. 2) If the stock moves against you, it's easier to exit at a faster pace.
- **Technology Issues** – With technology always moving forward in leaps and bounds, especially in our day and time, consider any technology-related issues. This is the market where you can usually find many of the large price moves.
- **Stock Knowledge** – Core trading requires significant understanding of the stock's nature such as the products and services that the stock's business is involved. Necessary fundamental knowledge is very valuable, and therefore, requires





a great deal more research and analysis than swing or scalp trading.

- **Decisive Exit & Entry Points** – Even though core trading is significantly different from swing trading, the knowledge of intraday price swings will still be helpful as you determine a down momentum or an approaching rally in the market. These market forces produce the relative points at which you choose to enter and exit a core trade, thereby a huge factor in your success.
- **Go with the Flow** – Don't ignore or balk against trends that could significantly increase your losses. This is self-destructive behavior that could end up being very financially painful. Take advantage of the financial opportunities that trends provide instead of moving against them. When the trend dies, you can move on.

Short vs. Long Trading

Long trading is when you buy a stock with the intention of later selling it at a higher price. Shorting stock is when you sell stock with the intention of later buying it back at a lower price.

Short trading appeals to many on the basis of market cycles, in which downtrends are virtually unavoidable, falling faster than they tend to rise on the uptrend. The disadvantage to short selling is the fact that the market will eventually always swing back up, which increases the price of the stock you intend to re-buy at a lower price. Plus, not all stocks are available for shorting at all times. For instance, you cannot short a stock on a downtick. Shorting is only possible on upticks. These rules were established by the exchanges to



prevent market sell-offs from occurring as they did in 1929, throwing the U.S. economy into a deep depression along with many other factors. Please note that specialists and market makers are exempt from this rule.

One clear way to tell whether or not to sell short is by reading charts, documenting market indicators with Bollinger bands. These are exponential bands with two standard deviations, measuring high and low volatility levels. A stock price at the top of a Bollinger band is very likely to drop down to its lower Bollinger band – A good indication to sell short.

Wide bands indicate high volatility, while narrow bands indicate the opposite. You want to monitor the moving average (MA) until it reaches a double top in the shape of an M. This is an indication of a major drop on the brink and a potential setup for selling short. What is happening is the stock in an uptrend is weakening. It reaches a high point, sells off for the slight dip, and then reaches another high. The second high point cannot break through the resistance, reaching past the point of the first high. Stockholders grow a bit nervous and begin selling off, plummeting the stock into a downward slope.

When choosing a stock for a short sell, look for steep rises. This indicates that the sharper the incline, the sharper the drop. Also, the less support a stock has, the further it will fall when the drop comes. The moment a stock penetrates the support resistance, trading at 0.125 below that mark, you need to place a limit order selling short the desired amount of shares at the inside offer price.

Here are a few DON'Ts when considering selling short:

- Don't sell a strong stock short if it happens to be in an uptrend.
- If you think a stock has risen too high, don't short a stock based on that reason alone. Many traders have a history of getting burned on such loose reasoning. Use the straight facts from





market indicators to make decisive determinations in whether or not to sell a stock short.

- Likewise, don't ever sell a stock short simply because it takes a dip. If you're looking for an indication that a stock may be weakening, it isn't necessarily at the first couple of lows. Wait until it trades for a 30-minute low before you consider selling short.
- As a new trader, you should avoid scalping shorts until you can a reasonable amount of experience. The reason for this is the risk factors are very time consuming with difficult entry points, and often very imprecise fluctuations.
- It is unwise whether you are trading long or short, to trade a stock with very little volume such as 300, 000 daily shares.



Market Analysis

Fundamental Analysis

Whether or not they will admit it, every trader uses fundamental analysis to make stock trading decisions even if only in a broad sort of way. It focuses on the study of economic, social and political issues that affect the stock market. Fundamental analysis specifically relates to the stock market through the process of monitoring a stock's annual growth rate. That's why investors and traders chart stock profits by various time periods such as daily, weekly, monthly and quarterly. They look for price-to-earning ratios known as P/E. This figure can be derived by dividing the stock's price by its per-share earnings.

Fundamentalists are more concerned with a stock's annual performance than in overall market behavior. Daily fluctuations do not matter, as they concentrate on the steady, continuous growth patterns. These investors are looking for long-term profits as retirement benefits, children's college funds, and such investments.

One of the reasons that many people do not like using fundamental analysis is because of the time, effort, and energy that's required when researching and studying the market. However, even fundamental knowledge is significantly beneficial to day traders, especially when combined with the role of technical analysis. For instance, having good fundamental knowledge of the market enhances your ability to interpret news announcements and key headlines to determine a price swing. Fundamental knowledge is even more significant when technical uncertainty is clouding over.





The combination of both technical and fundamental studies not only increases your knowledge but can boost your confidence. Fundamental factors often supplement technical pricing, which in turn greatly increases your chances of being right.

Making correct interpretations in an allowable time frame to make your decisions count, puts you a step ahead of everyone else. It doesn't help much if you can't interpret the market in time to act. This is one aspect of stock trading that sets the professionals apart from the amateurs. They have their momentum down. They pay attention, think quickly, interpret even faster, and their decisions are automatic, kicking them into motion.

Technical Analysis

On a deeper level, technical analysis concentrates on evaluating time, price and market sentiment. Technical analysts rely heavily upon the usage of charts. They use them to determine how many shares have been sold in a day, a week, or a month's time. Traders using this method of analysis, generally decipher a stock's strength by the moving average of the stock's price. This can be determined by averaging the closing historical prices.

Technical Analysis is also an excellent way to obtain up-to-second status accounts on equities and other market indicators. Day traders pay special attention to current market indices, which may give an indication in which direction the breezing market may blow next. A few of the most popular indices are the S&P 500, Dow Jones Industrial, and the NASDAQ Composite.

The quick delivery of news is essential as traders try to correctly interpret whether or not to quickly buy or sell, or to simply reverse positions. Of course, "timely" is the key here. Traders try to beat all the other traders before the



information spreads to the market majority of investors. News that sometimes changes the order flow during the intraday period is stock split announcements, relative lawsuits, merger deals, and some stock buybacks. The idea is to take advantage of these opportunities in a profitable way. Again, the best sure method of increasing your profitability in this uncertain and unpredictable market, is to find a comfortable method of market analysis that combines both the fundamental and the technical aspects of trading. Your personal system won't develop overnight. It will take practice through trial and error, but eventually you'll begin to get the feel and gradual flow of a trading momentum all of your own.





Day Trading Online

As discussed in an earlier chapter, the Internet has revolutionized many industries, and the stock market is no exception. Many changes have taken place in the markets since the invention of the Internet. Whether you intend to be a part-time or full-time day trader, with the advancement of the latest technologies, you now have the advantage of trading right at home or within your office. All you need is a computer with an order entry software system that has an Internet connection via a cable modem or a dedicated phone line.

Previously, only stockbrokers, specialists, and market makers had personal access to the market and for placing orders, but now everyone online who wants access to the stock market can have it. You can sell and buy stock right online without every having to call a broker or making an inconvenient trip to a local stock exchange firm.

Online Resources

The number and variations of online resources can frazzle the mind and everyday more and more sites are uploaded to the Internet. Resources range from informational Web sites, online magazines, online educational sites, to interactive trading markets. That doesn't include online publishers where you can purchase stock investment books from sites such as barnesnoble.com or amazon.com or financial and media business sites.

One of the changes that the online trading market is in the process of instigating is longer trading hours. Traditionally, floor-based trading occurred between the hours of 9 a.m. and 4 p.m., however, online markets are changing all that. Many speculate that 24-hour trading is far away.



Many online trader sites offer stock picks and specific recommendations for people who register on their site and subscribe to email newsletters. You can find online chat rooms and active bulletin boards where you can post messages and follow-up responses. The idea is to provide a market of communication for ex where you can post messages and follow-up responses. The idea is to provide a market of communication for firm experts, experienced individuals, and even amateurs just getting started.

You will need to surf through these online trading sites, read as much as possible until you feel comfortable returning to a select few and following the suggestions and advice they provide on their sites. Choose one specific trading site as your homepage which will be most helpful to you, and bookmark any others of interest.

Please realize that not all the information on these sites can be taken as absolute. Many people will offer information based on their opinions, experience and education. The opinions may or may not be helpful, but the experiences and education could be of assistance to you while in the process of learning. Listening and heeding advice can sometimes help you to avoid mistakes that others have made, however, it can also mislead you into making bad decisions. You have to do your own research, self-education, take classes and weigh advice based on other cross-references and your instincts. You will make mistakes. No experience can be error free or it wouldn't be experience. Use your mistakes wisely, learn from them so that you don't repeat them.

The following lists are current online Web sites organized by appropriate categories.

Media Web Sites

ABC News

www.abcnews.com





CNBC	www.cnbc.com
CBS Marketwatch	www.marketwatch.com
CNN Financial	www.cnnfn.com
MSN MoneyCentral	www.moneycentral.com
The New York Times	www.nytimes.com
News Alert	www.newsalert.com
ReutersMoney Net	www.moneynet.com
TheStreet.com	www.thestreet.com
\$Wall Street City	www.wallstreetcity.com
Dow Jones Newswires	www.dowjonesnews.com
Standard & Poors ComStock	www.spcomstock.com
Multex Investor	http://nasdaqeurope.multexinvestor.co.uk

Trading Web Sites

The Daily Trader	www.dailytrader.com
Daytraders On-line	www.daytraders.com
Online Trading Academy	www.Tradingacademy.com
On-Site Trading	www.onsitetrading.com
Pristine Day Trader	www.pristine.com
TradingMarkets.com	www.tradingmarkets.com
Bloomberg.com	www.bloomberg.com
AltaVista Finance	www.altavista.wallst.com





CyberInvest	www.cyberinvest.com
Financial Center	www.tfc.com
Interactive Investor	www.zdii.com
Invest-O-Rama	www.investorama.com
Investor Words	www.investorwords.com
The Motley Fool	www.fool.com
The Raging Bull	www.ragingbull.com
Silicon Investor	www.techstocks.com
Stockpoint	www.stockpoint.com
Etrade.com	www.etrade.com
Quote.com	www.quote.com
MassLive.com	www.masslive.com
Institutional Investor Online	www.institutionalinvestoronline.com
Strictly Stock Online	www.strictlystock.com

Online Magazines

Money Magazine	www.moneymagazine.com
FT expat Magazine	www.ft.com
Fortune Magazine	www.fortune.com
Business Week Online	www.businessweek.com
Web Finance Magazine	www.mfmarketnews.com
Better Investing Magazine	www.better-investing.org





Mutual Funds Magazine www.mutual-funds.com

Traders World www.tradersworld.com

Bloomberg.com Publishers publishes four magazines that can be found through their Web site:

Markets www.bloomberg.com

Personal Finance www.bloomberg.com

Wealth Manager www.bloomberg.com

Bloomberg Money www.bloomberg.com

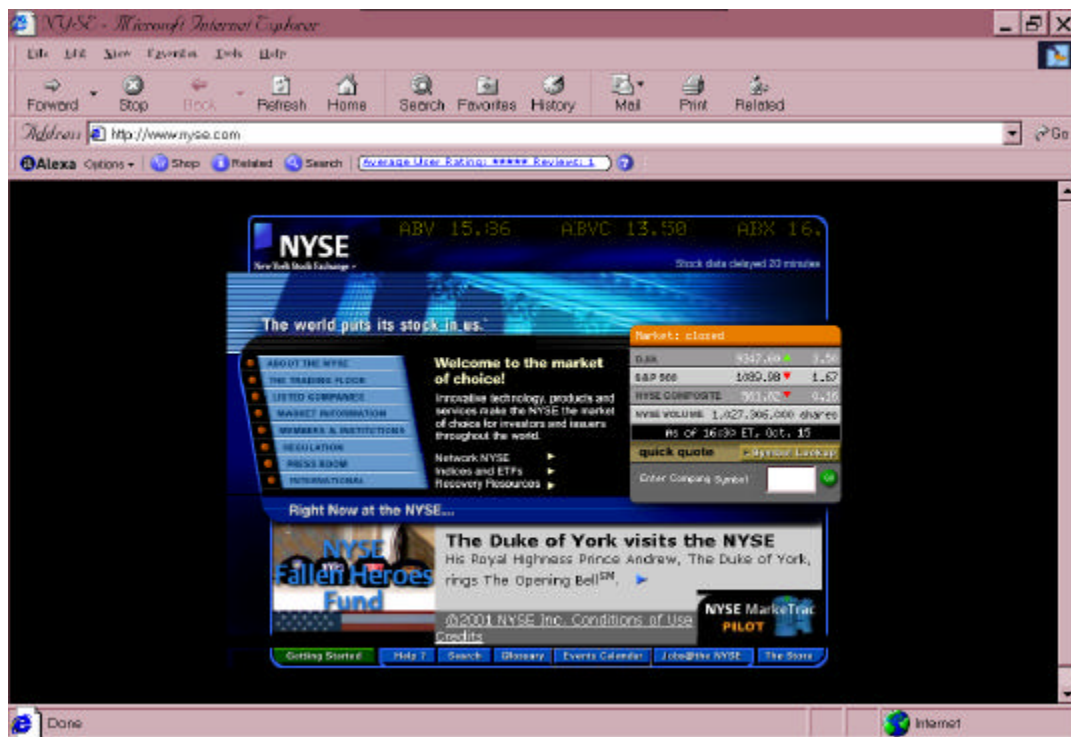
Online Stock Markets

With the stock market changing on a daily, hourly, and minute-by-minute basis, there is no other substitute for having online access to real-time markets than the Internet itself. This section will cover the main online markets for the U.S. and Europe, providing online hyperlink URLs, current screen shots of Web site homepages, and other significant Web pages.

New York Stock Exchange Web Site

www.nyse.com

The NYSE Web site is an online interactive trading site where individuals and institutions can buy and sell stock, participate in related discussion forums, and access informative references, including the latest breaking news in the industry. As the Trading Floor buzzes with excitement and serious business of the day, online investors click on The Trading Floor Web page of the NYSE site and begin their day of trading at home through the convenience of the Internet.

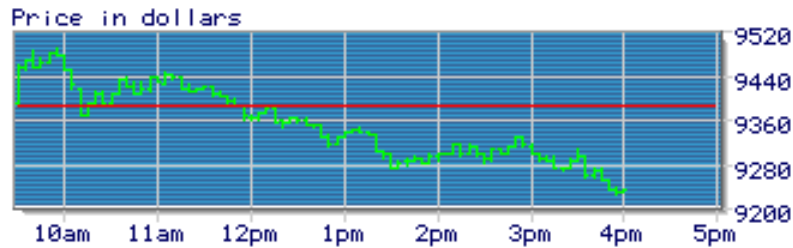


Screenshot of NYSE Web site homepage at www.nyse.com

If you are looking for information, you won't be disappointed. You'll find detailed content describing the size of the Trading Floor to actual photos from various viewpoints. There's no lack of history either. The NYSE has been in existence for over 200 years, and the famous bell that is faithfully rung at the opening and closing of each day began in 1870 as a tradition.

The NYSE Web site is full of step-by-step processes in how stocks are bought and sold in the market. This information is very easy to read and understand with specific examples and related illustrations for effect. They've even added a Web page showing photos of the technological tools used in the market with explanations on how they perform and what purposes they serve. You can view membership listings and find up-to-minute market information, including charted statistics and other real-time data for the U.S., Europe and other international companies. Also, the site provides current indices such as the S&P 500, the NYSE Composite, the Amex Composite and the NASDAQ Composite, including the Dow Jones Industrials.

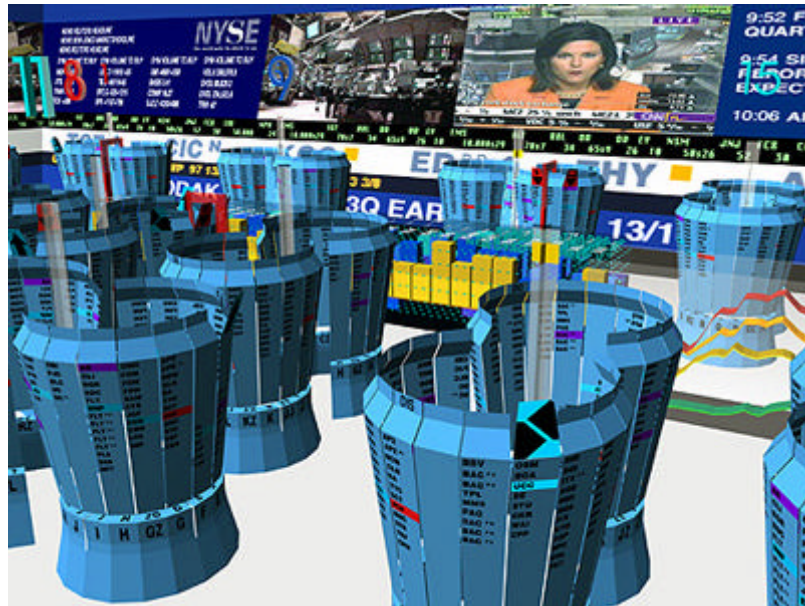




**Dow Jones Industrial Daily Chart from NYSE Web site
(10/17/01)**

As with most stock exchanges, the NYSE monitors every transaction and is under continuous surveillance. The exchange uses Stock Watch, a computer-based system that examines each individual trade for irregular trading behaviors and alerts the appropriate NYSE personnel. The NYSE Web site provides content on its Web site outlining the regulations for operation and membership requirements.

Online trading members are not left without the “look” and “feel” of physically being there. In 1999, the NYSE revealed the first large-scale virtual reality environment for business related programs. You can literally visit the virtual representation of the Trading Floor through a



3-D Image of the NYSE Trading Floor from the NYSE Web site.



three-dimensional reality –based system. The still image below is a 3-D pictorial sample within the virtual reality environment of the Trading Floor from the NYSE Web site.





American Stock Exchange

www.amex.com

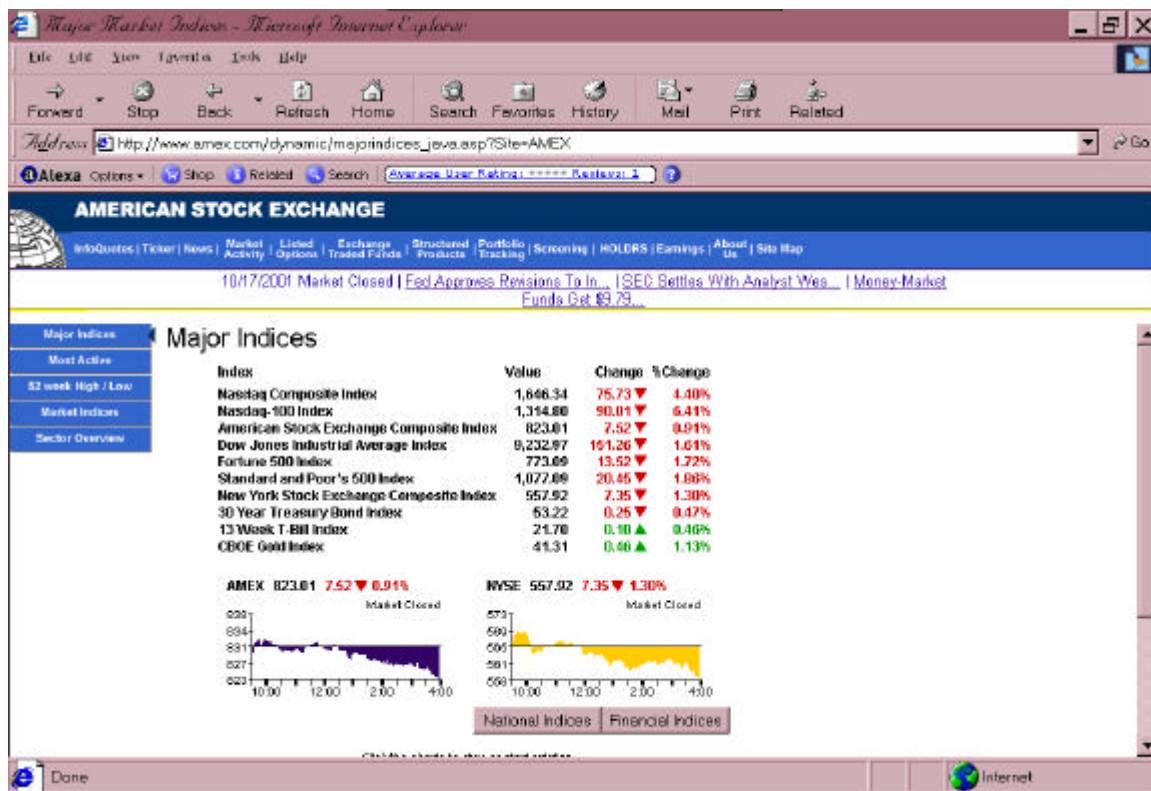
The American Stock Exchange (AMEX) is the second largest floor-based stock market in the United States, providing common stocks, index shares, and equity derivative securities. Trading at AMEX is conducted through an enhanced centralized system that integrates the speed of computer delivered orders in a liquid market driven by customer demand. Like the NYSE, AMEX is an auction-based stock market with specialists overseeing the process of bid and sell orders.



The American Stock Exchange Web Site Homepage at <http://www.amex.com>



In 1998 AMEX merged with NASD, but continues to operate as a separate entity. For this reason, AMEX has its own Web site that provides historical and current market information, as well as regulatory rules and membership requirements. You can view and download both AMEX and NASDAQ securities. For tracking and investment purposes, you'll find updated charts and tables providing the status on various indices, and other market indicators.



AMEX Web page showing market closing graphs for AMEX and NYSE, including the status closings of other major indices.

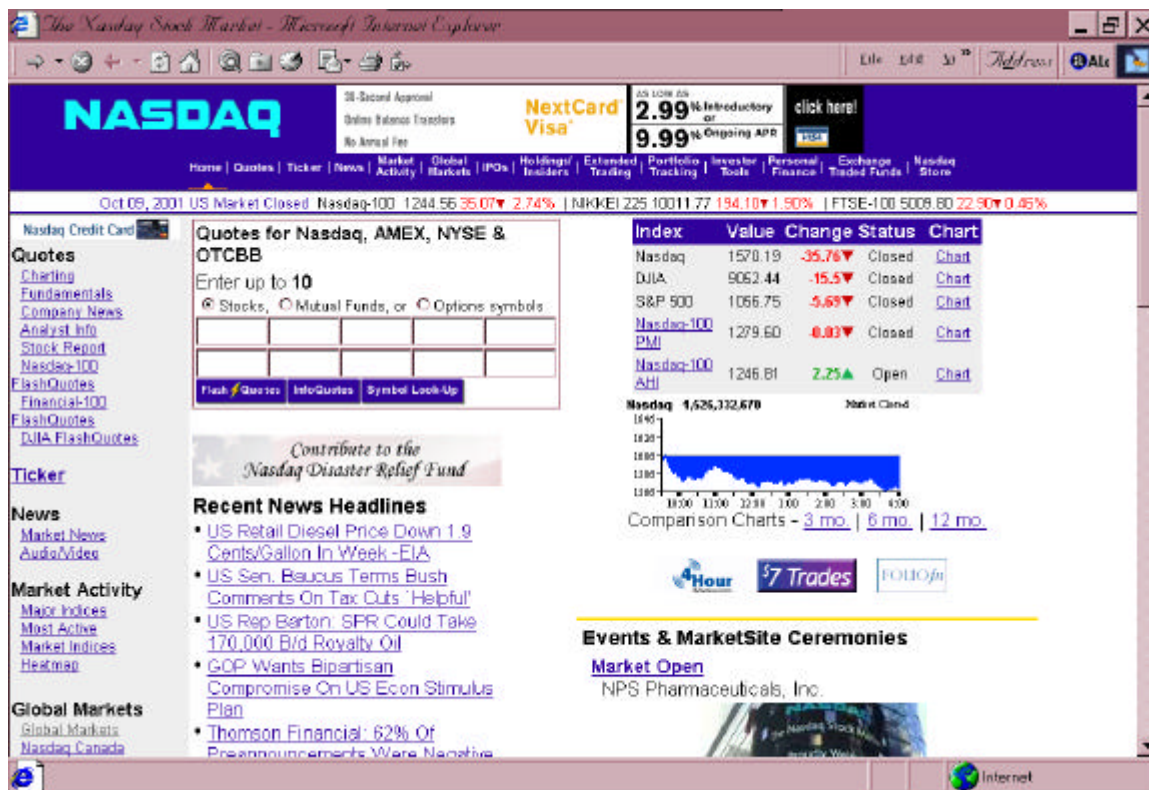




NASDAQ Web Site

www.nasdaq.com

The NASDAQ is a comprehensive, informative site that includes additional links to all the NADAQ's international markets. Here you will find up-to-second statistical chart and indices. The NASDAQ Web site also provides information regarding the trading rules and requirements for membership, which are available as pdf files to downloading. You'll find numerous benefits for joining the NASDAQ market.



The NASDAQ Web Site Homepage at www.nasdaqeurope.com



NASDAQ Europe Web Site

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NASDAQ EUROPE

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COMPANY NEWS

- Oct 16 Vasco Data Security International - VASCO Protects Online Client Portfolios for Belgian Investment - VASCO partners continue to expand global market »
- Oct 16 TOPCALL International AG - Unified Communication Solutions for Novell GroupWise - TOPCALL announces Unified Communication solutions for Novell GroupWise at Systems 2001 »
- Oct 15 Bricenet N.V. - Yoav Etziel to Depart Bricenet - Executive Vice President, Worldwide Marketing for Bricenet will leave company to pursue other interests »
- Oct 15 Antisoma plc - Disclosure of Shareholding - 15 October 2001, London - Antisoma plc was notified on 12 October 2001 that John M Harvey has a share »
- Oct 15 Algo Vision plc - Winding-up Petition - Letter of Intent to provide Convertible Loan facility »
- Oct 12 Global TeleSystems, Inc. Expects Delaware Petition to Be Withdrawn - Global TeleSystems, Inc. announced today that three individual holders of

NASDAQ EUROPE COMPOSITE INDEX (NEC)

Value	Change	High	Low	CET
224.07	5	225.57	221.71	16 Oct 14:30

TOP TEN MOST ACTIVE

Company	Mid	Volume	Change	%
Meta4	0.445	164,263	0.02	4.71
ActivCard	10.450	57,810	0.79	8.12
Swan	2.350	61,040	-0.05	-2.08
Alcatel	14.520	40,000	0.00	0.00
Antisoma	0.415	31,400	0.01	2.35

Current Date
Tuesday, October 16, 2001

Market Hours
09:00 - 17:00 CET

Market
Open

Quote Delay
15 minutes

Quote Date/Time
16 Oct 14:32 CET

Nasdaq Disaster Relief Fund DONATIONS

NASDAQ Europe Web Site Page at www.nasdaq.com

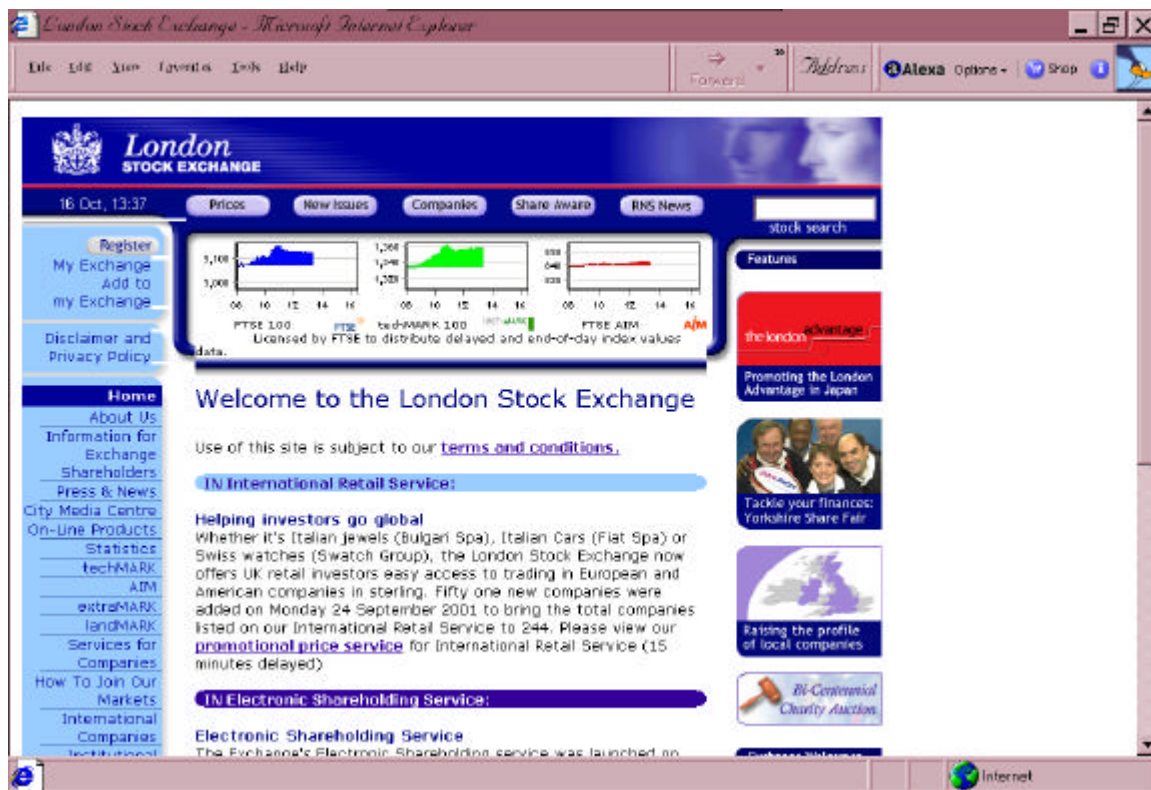




The London Stock Exchange Web Site

www.londonstockexchange.com

As the world's leading exchange market, the LSE Web site lives up to the overall standards that the global market have come to expect. You'll see innovative, interactive and user-friendly Web pages with real-time informative data. Each segment of LSE such as AIM, techMARK, extraMARK, and landMARK and other relative services have their own dedicated pages. In addition, to the significant charts and important worldwide FTSE indices, are links to other international markets for a universal global connection.



The London Stock Exchange Web Site at <http://www.londonstockexchange.com>





Other Resources

Even though there are so many convenient online resources, don't overlook or ignore other significant market indicators. Read your local newspapers and subscribe to financial investment magazines. National newspapers such as *The Wall Street Journal* and *USA Today* print very important market data. They not only contain stock market statistics, but sometimes have very important articles that can reveal temporary trends and significant market swings.

You could also read books regarding stock market trading. While library resources may be beneficial to background material, try to read the most current released books. Most public libraries are limited from government funds and can only purchase so many new resources a year, therefore, they don't always have the latest publications. Visit your local Barnes & Nobles and Borders bookstores as well as the online publication sites such as Amazon.com. Even if you have a recent published book, remember that publication generally takes a year before a book is actually on the shelf. This means that as soon as a book is printed, the material within it is already a year old.

The following book titles are a few recommendations:

- *Secrets for profiting in Bull and Bear Markets*, by Stan Weinstein.
- *Stock Patterns for Day Trading*, by Barry Rudd.
- *Strategies for the Online Day Trader: Advanced Trading Techniques for Online Profits*, by Fernando Gonzalez and William Rhee.
- *The Disciplined Trader*, by Marc Friedfertig and George West.



- *Tools & Tactics for the Master Day Trader: Battle-Tested Techniques for Day, Swing, and Position Traders*, by Oliver Velez and Greg Capra.
- *Trading for a Living*, by Dr. Alexander Elder.
- *A Beginner's Guide to Day Trading Online*, Toni Turner

In addition to reading resources, you can also watch informative television programs and newscasts such as CNBC, CNN, and Bloomberg TV. These stations monitor the stock market daily and report relevant general market issues that may affect stock prices and directional swings. While the information provided by these stations may be very beneficial, some of the data could be considered more important for long-term trading. Use your personal judgment as you listen to the news and stay true to the market rules you have established from experience.

Television stations that report on the stock market invite industry experts, significant firm representatives and other professionals from the industry. Depending on what type of trading you are considering, please keep in mind that the majority of the information and opinions provided on these programs are more applicable to the long-term investor. As a day trader, you must learn to read, listen and hear other opinions, predictions and analyses and interpret the pieces that apply to day trading in day trading terms.

Whether you're just getting started in trading stocks, or graduating to an intermediate level, the flood of resources is almost too much and can be the source of the majority of your confusion. Proceed with caution. Don't be vulnerable to being misled because of an overwhelming need for guidance. While most people will be sincere in helping you and giving advice, others will simply take advantage of your naïveté. Be cautious of seminar classes and workshops





that cost significant money and claim to teach you everything you need to know in two days, or one week. It isn't possible. It's likely they are just out to make some easy cash on your simple desire to learn.

Real classes attempt to teach you significant strategies and tend to concentrate on one segment of the market at a time. Real professionals know that beginners and intermediates can't learn all they need to know in a few short days, and they definitely won't mislead you by making such a ridiculous proclamation. Credible online classes, local seminars and workshops are very helpful in giving you advice and tips that you can use in the trading market. The key is deciding which ones are the good ones.

Always make your own choices, and follow your own instincts, not someone else's. Think of all your resources and research as the gathering of information that's necessary for anticipating the market's reaction monitoring its progression. The rest is up to you.



Strategic Tips for Success

- If news that could potentially affect the price of a stock is announced on TV, don't run with all the amateurs, giving it an upward throttle. The more experienced market makers and traders will sit in a corner, biding their time until the stock is right for shorting it and driving it back down. As the stock price plummets, these amateurs that purchased it at the highest price of the day now have no one to sell it to.
- Don't ever trade with money that you can't afford to lose such as bill money, retirement money, or any other finances that could affect your living style if you were to lose it. Only trade with a stash of money that you have saved up for the specific purpose of trading. Just as a few people have been very successful at the stock markets, there are even more who have failed, losing homes, cars and furniture, and nearly everything. Don't be one of them!
- Never get into a trade that has a poor risk-to-reward ratio. You should only consider trades that will bring you a decent profit, otherwise, the risk isn't worth it.
- Get out of the trade as soon as you realize the odds are against you. The longer you wait, hoping that the tide will turn again in your favor, the more money you could be losing. Plus, you might find it very difficult to sell.





Market Indicators

Market indicators are very necessary resources when making decisions on what stocks to trade, what trading style to use, when to buy, when to sell and in observing the overall health of the stock market in general. The majority of traders and small investors find that viewing market indicators by relative charts is more helpful than any other means. Charts provide an in-depth view of the market's progressing trail, and to identify crucial support and resistance points.

The most dependable and widely used U.S. indices are the S&P 500, the NASDAQ 100, the Dow Jones Industrials, and the Tick Indicator. Other popular European and global indices are the FTSE 100, FTSE All-World, the FTSE World Index and the FTSE Eurotop Indices.

In addition to indices, the key market indicators are major market leaders within their related industry. Watching the reaction and stock market movement of these business leaders provides a general idea of the strengths and weaknesses in the overall market. Any time these conglomerate corporations bounce up or drop low, usually other businesses seem follow like a flock of birds. Keep in mind that a downtrend in one industry will not necessarily indicate a downtrend in a different unrelated industry. History is sometimes the best source to learn from.



Standard & Poor 500 Index

Company	Symbol	Company	Symbol
Abbot Labs	AB	Altera Corp.	ALTR
Adaptec, Inc.	ADPT	ALZA Corp.	AZA
ADC Telecommunications	ADCT	Ambac Financial Group	ABK
Adobe Systems	ADBE	Amerada Hess	AHC
Advanced Systems	ADBE	Ameren Corp.	AEE
Advanced Micro Devices	AML	America Online, Inc.	AOL
AES Corp.	AES	American Electric Power	AEP
Aetna Inc.	AET	American Express Co.	AXP
AFLAC Inc.	AFL	American General Corp.	AGC
Agilent Technologies	A	American Greetings Corp.	AM
Air Products & Chemicals	APD	American Home Prod	AHP
Alberto-Culver Co.	ACV	American Int'l. Group	AIG
Albertson's, Inc.	ABS	American Power Conversion	APCC
Alcan Aluminium Ltd.	AL	Amgen Inc.	AMGN
Alcoa Inc.	AA	AMR Corp.	AMR
Allegheny Energy Inc.	AYE	AmSouth Bancorp.	ASO
Allegheny Teledyne Inc.	ALT	Anadarko Petroleum Corp.	APC
Allergan, Inc.	AGN	Analog Devices, Inc.	ADI
Allied Waste Industries	AW	Andrew Corp.	ANDW
Allstate Corp.	ALL	Anheuser-Busch Cos.	BUD





<u>Company</u>	<u>Symbol</u>	<u>Company</u>	<u>Symbol</u>
ALLTEL Corp.	AT	Aon Corp.	AOC
Apache Corp.	APA	Bear Stearns Cos.	BSC
Apple Computer Inc.	AAPL	Becton, Dickinson and Co.	BDX
Applied Materials Inc.	AMAT	Bed Bath & Beyond	BBBY
Archer-Daniels-Midland	ADM	Bell Atlantic Corp.	BEL
Ashland Inc.	ASH	BellSouth Corp.	BLS
AT&T Corp	T	Bemis Co., Inc.	BMS
Autodesk, Inc.	ADSK	Best Buy Co., Inc.	BBY
Automatic Data Proc.	AUD	Biogen, Inc.	BGEN
AutoZone Inc.	AZO	Biomet, Inc.	BMET
Avaya Inc.	AV	Black & Decker Corp.	BDK
Avery Dennison Corp.	AVY	Block (H&R)	HRB
Avon Products, Inc.	AVP	BMC Software	BMCS
Baker Hughes Inc.	BHI	Boeing Co.	BA
Ball Corp.	BLL	Boise Cascade Corp.	BCC
Baltimore Gas & Electric	BGE	Boston Scientific Corp.	BSX
Banc One Corp.	ONE	Briggs & Stratton Corp.	BGG
Bank of New York	BK	Bristol-Myers Squibb	BMY
BankAmerica Corp.	BAC	Broadcom Corporation	BRCM
Bard (C.R.), Inc.	BCR	BroadVision Inc.	BVSN
Barrick Gold Corp.	ABX	Brown-Forman Corp. "B"	BFB
Bausch & Lomb	BOL	Burlington Northern Santa Fe	BNI



Company	Symbol	Company	Symbol
Baxter Int'l., Inc.	BAX	Burlington Resources	BR
BB&T Corp.	BBK	Cabletron Systems Inc.	CS
Calpine Corp.	CPN	Citigroup Inc.	C
Campbell Soup Co	CPB	Citizens Communications	CZN
Capital One Financial Corp.	COF	Citrix Systems, Inc.	CTXS
Cardinal Health Inc.	CAH	Clear Channel Commun.	CCU
Carnival Corp.	CCL	Clorox Co.	CLX
Carolina Power & Light	CPL	CMS Energy Corp.	CMS
Caterpillar, Inc.	CAT	Coca-Cola Co.	KO
Cendant Corp.	CD	Coca-Cola Enterprises	CCE
Centex Corp.	CTX	Colgate-Palmolive	CL
CenturyTelephone Entrp.	CTL	Columbia/HCA Healthcare	COL
Charles Schwab Corp.	SCH	Comcast Corp.	CMCSK
Charter One Financial	CF	Comerica Inc.	CMA
Chase Manhattan Corp.	CMB	Compaq Computer Corp.	CPQ
Chevron Corp.	CHV	Computer Associates Int'l.	CA
Chiron Corp.	CHIR	Computer Sciences Corp.	CSC
Chubb Corp.	CB	Compuware Corp.	CPWR
CIGNA Corp.	CI	Comverse Technology, Inc.	CMVT
Cincinnati Financial Corp.	CINF	ConAgra, Inc.	CAG
CINergy Corp.	CIN	Conexant Systems	CNXT
Cintas Corporation	CTAS	Conoco Inc.	COC.B





<u>Company</u>	<u>Symbol</u>	<u>Company</u>	<u>Symbol</u>
Circuit City Stores Inc.	CC	Conseco Inc.	CNC
Cisco Systems Inc.	CSCO	Consolidated Edison	ED
CIT Group Inc.	CIT	Consolidated Stores Corp.	CNS
Convergys Corp.	CVG	Dominion Resources	D
Cooper Industries	CBE	Donnelley (RR) & Sons Co.	DNY
Cooper Tire & Rubber Co.	CTB	Dover Corp.	DOV
Coors (Adolph) Co.	ACCOB	Dow Chemical Co.	DOW
Corning Inc.	GLW	Dow Jones & Co., Inc.	DJ
Costco Cos. Inc.	COST	DTE Energy Co.	DTE
Countrywide Credit Indus.	CCR	Duke Energy	DUK
Crane Co.	CR	DuPont (E.I.) deNemours	DD
CSX Corp.	CSX	Dynegy Inc.	DYN
Cummins Engine Co. Inc.	CUM	Eastman Chemical Co.	EMN
CVS Corp.	CVS	Eastman Kodak Co.	EK
Dana Corp.	DCN	Eaton Corp.	ETN
Danaher Corp.	DHR	Ecolab Inc.	ECL
Darden Restaurants Inc.	DRI	Edison Int'l.	EIX
Dayton Hudson Corp.	DH	EG&G Inc.	EGG
Deere & Co.	DE	El Paso Natural Gas	EPG
Dell Computer Corp.	DELL	Electronic Data Systems	EDS
Delphi Automotive Systems	DPH	EMC Corp.	EMC
Delta Air Lines, Inc.	DAL	Emerson Electric Co.	EMR



<u>Company</u>	<u>Symbol</u>	<u>Company</u>	<u>Symbol</u>
Deluxe Corp.	DLX	Engelhard Corp.	EC
Devon Energy Corp.	DVN	Enron Corp.	ENE
Dillard's Inc.	DDS	Entergy Corp.	ETR
Dollar General Corp.	DG	EOG Resources	EOG
Equifax, Inc.	EFX	Gateway 2000, Inc	GTW
Exelon Corp	EXC	General Dynamics Corp.	GD
Exxon Mobil Corp.	XOM	General Electric Co.	GE
Fannie Mae	FNM	General Mills	GIS
FDX Holding Corp.	FDX	General Motors	GM
Federated Dept. Stores	FD	Genuine Parts Co.	GPC
Fifth Third Bancorp	FITB	Georgia-Pacific Corp.	GP
First Data Corp.	FDC	Gillette Co.	G
First Union Corp.	FTU	Global Crossing	GX
Firststar Corp.	FSR	Golden West Financial Corp.	GDW
FirstEnergy Corp.	FE	Goodrich (B.F.) Co.	GR
Fleet Financial Group	FLT	Goodyear Tire & Rubber Co.	GT
Fluor Corp.	FLR	GPU, Inc.	GPU
FMC Corp.	FMC	Grainger (W.W.) Inc.	GWW
Ford Motor Co.	F	Great Lakes Chemical Corp.	GLK
Forest Laboratories	FRX	Guidant Corp.	GDT
Fortune Brands	FO	H.J. Heinz Co.	HNZ
FPL Group, Inc.	FPL	Halliburton Co.	HAL





<u>Company</u>	<u>Symbol</u>	<u>Company</u>	<u>Symbol</u>
Franklin Resources	BEN	Harcourt General, Inc.	H
Freddie Mac	FRE	Harley Davidson Inc.	HD
Freeport McMoRan	FCX	Harrah's Entertainment	HET
Gannett Co., Inc.	GCI	Hartford Financial	HIG
Gap Inc.	GPS	Hasbro, Inc.	HAS
HCR Manor Care	HCR	JDS Uniphase Corp.	JDSU
HealthSouth Corp.	HRC	Jefferson-Pilot Corp.	JP
Hercules, Inc.	HPC	Johnson & Johnson	JNJ
Hershey Foods	HSY	Johnson Controls	JCI
Hewlett-Packard Co.	HWP	Kaufman & Broad Home	KBH
Hilton Hotels Corp.	HLT	Kellogg Co.	K
Home Depot, Inc.	HD	Kerr-McGee	KMG
Honeywell Int'l. Inc.	HON	KeyCorp.	KEY
Household Int'l., Inc.	HI	KeySpan Energy Corp.	KSE
Humana Inc.	HUM	Kimberly-Clark Corp.	KMB
Huntington Bancshares	HBAN	Kinder Morgan, Inc.	KMI
Illinois Tool Works	ITW	King Pharmaceuticals	KG
IMS Health Inc.	RX	KLA-Tencor Corp.	KLAC
Inco Ltd.	N	Knight Ridder Inc.	KRI
Ingersoll-Rand	IR	Kohl's Corp.	KSS
Intel Corp.	INTC	Kroger Co.	KR
International Bus. Mach.	IBM	Leggett & Platt, Inc.	LEG



<u>Company</u>	<u>Symbol</u>	<u>Company</u>	<u>Symbol</u>
International Paper Co.	IP	Lehman Brothers Holdings	LEH
Interpublic Group of Cos.	IPG	Lexmark Int'l. Group A	LXK
Intuit, Inc.	INTU	Lilly (Eli) & Co.	LLY
ITT Industries, Inc.	IIN	Limited, Inc.	LTD
J.P. Morgan & Co.	JPM	Lincoln National Corp.	LNC
Jabil Circuit	JBL	Linear Technology	LLTC
Liz Claiborne, Inc.	LIZ	MedImmune Inc.	MEDI
Lockheed Martin Corp.	LMT	Medtronic, Inc.	MDT
Loews Corp.	LTR	Mellon Bank Corp.	MEL
Longs Drugs Stores	LDG	Merck & Co. Inc.	MRK
Louisiana-Pacific Corp.	LPX	Mercury Interactive	MERQ
Lowe's Cos., Inc.	LOW	Meredith Corp.	MDP
LSI Logic Corp.	LSI	Merrill Lynch & Co. Inc.	MER
Lucent Technologies, Inc.	LU	MetLife Inc.	MET
Marriott Int'l, Inc.	MAR	MGIC Investment Corp.	MTG
Marsh & McLennan Cos.	MMC	Micron Technology Inc.	MU
Masco Corp.	MAS	Microsoft Corp.	MSFT
Mattel, Inc.	MAT	Millipore Corp.	MIL
Maxim Integrated Products	MXIM	Minnesota Mining & Mfg.	MMM
May Dept. Stores Co.	MAY	Molex Inc.	MOLX
Maytag Corp.	MYG	Moody's Corp.	MCO
MBIA Inc.	MBI	Morgan Stanley Dean Witter	MWD





<u>Company</u>	<u>Symbol</u>	<u>Company</u>	<u>Symbol</u>
MBNA Corp.	KRB	Motorola, Inc.	MOT
McDermott Int'l. Inc.	MDR	Nabors Industries	NBR
McDonalds Corp.	MCD	National City Corp.	NCC
McGraw-Hill Companies	MHP	National Semiconductor	NSM
MCI WorldCom Inc.	WCOM	National Service Industries	NSI
McKesson Corp.	MCK	Navistar Int'l. Corp.	NAV
Mead Corp.	MEA	NCR Corp.	NCR
Network Appliance, Inc.	NTAP	ONEOK Inc.	OKE
New Century Energies	NCE	Oracle Corp.	ORCL
New York Times Co. "A"	NYT	PACCAR Inc.	PCAR
Newell Co.	NWL	Pactiv Corp.	PTV
Newmont Mining Corp.	NEM	Pall Corp.	PLL
NEXTEL Communications	NXTL	Palm Inc.	PALM
Niagara Mohawk Power Co.	NMK	Parametric Technology Corp.	PMTC
NICOR Inc.	GAS	Parker-Hannifin Corp.	PH
NIKE, Inc.	NKE	Paychex, Inc.	PAYX
NIPSCO Industries, Inc.	NI	PECO Energy Corp.	PE
Noble Drilling Corp.	NE	Penney (J.C.) Co., Inc.	JCP
Nordstrom, Inc.	NOBE	Peoples Energy Corp.	PGL
Norfolk Southern Corp.	NSC	PeopleSoft Inc.	PSFT
Northern States Power	NSP	PepsiCo Inc.	PEP
Northern Telecom. Ltd.	NT	Perkin Elmer Corp.	PKN



<u>Company</u>	<u>Symbol</u>	<u>Company</u>	<u>Symbol</u>
Northern Trust Corp.	NTRS	Pfizer Inc.	PFE
Northrop Grumman Corp.	NOC	PG&E Corp.	PCG
Novell Inc.	NOVL	Pharmacia Corp.	PHA
Novellus Systems	NVLS	Phelps Dodge	PD
Nucor Corp.	NUE	Philip Morris	MO
Office Depot, Inc.	ODP	Phillips Petroleum Co.	P
Old Kent Financial Corp.	OK	Pinnacle West Capital Corp.	PNW
Omnicom Group Inc.	OMC	Pitney Bowes Inc.	PBI
Placer Dome Inc	PDG	Rohm & Haas Co.	ROH
PNC Bank Corp.	PNC	Rowan Cos. Inc.	RDC
Potlatch Corp.	PCH	Royal Dutch Petroleum Co.	RD
Power-One Inc.	PWER	Ryder System, Inc.	R
PP&L Resources Inc.	PPL	Sabre Holdings Corporation	TSG
PPG Industries	PPG	SAFECO Corp.	SAFC
Praxair, Inc.	PX	Safeway Inc.	SWY
Procter & Gamble Co.	PG	Sanmina Corp.	SANM
Progressive Corp.	PGR	Sapient Corp.	SAPE
Providian Financial Corp.	PVN	Sara Lee Corp.	SLE
Public Service Enterprise	PEG	SBC Communications, Inc.	SBC
Pulte Corp.	PHM	Schering-Plough Corp.	SGP
QLogic Corp.	QLGC	Schlumberger Limited	SLB
Quaker Oats Co.	OAT	Scientific-Atlanta Inc.	SFA





<u>Company</u>	<u>Symbol</u>	<u>Company</u>	<u>Symbol</u>
QUALCOMM Inc.	QCOM	Sealed Air Corp.	SEE
Quintiles Transnational	QTRN	Sears, Roebuck and Co.	S
Qwest Communication Int'l Q		Sempra Energy	SRE
Ralston Purina Group	RAL	Sherwin-Williams Co.	SHW
Raytheon Co. "B"	RTN.B	Siebel Systems, Inc.	SEBL
Reebok Int'l. Ltd.	RBK	Sigma Aldrich Corp.	SIAL
Regions Financial Corp.	RGBK	SLM Holding Corp.	SLM
Robert Half International	RHI	Snap-On, Inc.	SNA
Rockwell Int'l. Corp.	ROK	Solelectron	SLR
Southern Co.	SO	Temple-Inland	TIN
SouthTrust Corp.	SOTR	Tenet Healthcare Corp.	THC
Southwest Airlines Co.	LUV	Teradyne, Inc.	TER
Sprint Corp.	FON	Texaco, Inc.	TX
Sprint Corp. PCS Grp	PCS	Texas Instruments Inc.	TXN
St. Jude Medical Inc.	STJ	Texas Utilities Co.	TXU
St. Paul Cos. Inc.	SPC	Textron, Inc.	TXT
Stanley Works	SWK	Thermo Electron Corp.	TMO
Staples Inc.	SPLS	Thomas & Betts Corp.	TNB
Starbucks Corp.	SBUX	Tiffany & Co.	TIF
Starwood Hotels & Resorts HOT		Timken Co.	TKR
State Street Corp.	STT	TJX Companies Inc.	TJX
Stilwell Financial	SV	Torchmark Corp.	TMK



<u>Company</u>	<u>Symbol</u>	<u>Company</u>	<u>Symbol</u>
Stryker Corp.	SYK	Tosco Corp.	TOS
Sun Microsystems Inc.	SUNW	Toys R Us Inc.	TOY
Sunoco., Inc.	SUN	Transocean Sedco Forex	RIG
SunTrust Banks Inc.	STI	Tribune Co.	TRB
Supervalu Inc.	SVU	Tricon Global Restaurants	YUM
Symbol Technologies	SBL	TRW Inc	TRW
Synovus Financial Corp.	SNV	Tupperware Corp.	TUP
Sysco Corp.	SYX	Tyco Int'l. Ltd.	TYC
T. Rowe Price Associates	TROW	Unilever N V	UN
Tellabs, Inc.	TLAB	Union Pacific Corp.	UNP
Unisys Corp.	UPC	WellPoint Health Networks	WLP
United Healthcare Corp.	UNH	Wells Fargo	WFC
United Technologies Corp.	UTX	Wendy's Int'l. Inc.	WEN
Univision Communications Inc.	UVN	Westvasco Corp.	W
Unocal Corp.	UCL	Weyerhaeuser Co.	WY
UNUMCorp.	UNM	Whirlpool Corp.	WHR
US Airways Group Inc.	U	Willamette Industries Inc.	WLL
UST Inc.	UST	Williams Cos. Inc.	WMB
USX-Marathon Group	MRO	Winn-Dixie Stores Inc.	WIN
USX-U.S. Steel Group	X	Worthington Industries	WTHG
Veritas Software	VRTS	Wrigley (Wm. Jr.) Co.	WWY
VF Corp.	VFC	Xerox Corp.	XRX





<u>Company</u>	<u>Symbol</u>	<u>Company</u>	<u>Symbol</u>
Viacom Inc.	VIAB	Xilinx, Inc.	XLNX
Visteon Corp.	VC	Yahoo! Inc.	YHOO
Vitesse Semiconductor Corp.	VTSS		
Vulcan Materials Co.	VMC		
Wachovia Corp.	WB		
Wal-mart Stores, Inc.	WMT		
Walgreen Co.	WAG		
Walt Disney Co.	DIS		
Washington Mutual, Inc.	WAMU		
Waste Management, Inc.	WMI		
Watson Pharmaceuticals	WPI		



NASDAQ Index 100

Symbol	Company Name
COMS	3Com Corporation
ABGX	Abgenix, Inc.
ADCT	ADC Telecommunications, Inc.
ADLAC	Adelphia Communications Corporation
ADBE	Adobe Systems Incorporated
ALTR	Altera Corporation
AMZN	Amazon.com, Inc.
AMGN	Amgen Inc.
ADRX	Andrx Group
AAPL	Apple Computer, Inc.
AMAT	Applied Materials, Inc.
AMCC	Applied Micro Circuits Corporation
ARBA	Ariba, Inc.
ATML	Atmel Corporation
BEAS	BEA Systems, Inc.
BBBY	Bed Bath & Beyond Inc.
BGEN	Biogen, Inc.
BMET	Biomet, Inc.
BRCM	Broadcom Corporation
BVSN	BroadVision, Inc.
BRCD	Brocade Communications Systems, Inc.
CHKP	Check Point Software Technologies Ltd.
CHIR	Chiron Corporation
CIEN	CIENA Corporation
CTAS	Cintas Corporation





Symbol	Company Name
CSCO	Cisco Systems, Inc.
CTXS	Citrix Systems, Inc.
CMGI	CMGI, Inc.
CNET	CNET Networks, Inc.
CMCSK	Comcast Corporation
CPWR	Compuware Corporation
CMVT	Comverse Technology, Inc.
CEFT	Concord EFS, Inc.
CNXT	Conexant Systems, Inc.
COST	Costco Wholesale Corporation
DELL	Dell Computer Corporation
EBAY	eBay Inc.
DISH	EchoStar Communications Corporation
ERTS	Electronic Arts Inc.
FISV	Fiserv, Inc.
FLEX	Flextronics International Ltd.
GMST	Gemstar-TV Guide International Inc.
GENZ	Genzyme General
GILD	Gilead Sciences, Inc.
HGSI	Human Genome Sciences, Inc.
ITWO	i2 Technologies, Inc.
IDPH	IDEC Pharmaceuticals Corporation
IMNX	Immunex Corporation
INKT	Inktomi Corporation
INTC	Intel Corporation
INTU	Intuit Inc.
JDSU	JDS Uniphase Corporation
JNPR	Juniper Networks, Inc.



Symbol	Company Name
KLAC	KLA-Tencor Corporation
LVL	Level 3 Communications, Inc.
LLTC	Linear Technology Corporation
ERIC	McLeodUSA Incorporated
MEDI	MedImmune, Inc.
MERQ	Mercury Interactive Corporation
MFNX	Metromedia Fiber Network, Inc.
MCHP	Microchip Technology Incorporated
MSFT	Microsoft Corporation
MLNM	Millennium Pharmaceuticals, Inc.
MOLX	Molex Incorporated
NTAP	Network Appliance, Inc.
NXTL	Nextel Communications, Inc.
NOVL	Novell, Inc.
NVLS	Novellus Systems, Inc.
NVDA	NVIDIA Corporation
ORCL	Oracle Corporation
PCAR	PACCAR Inc
PALM	Palm, Inc.
SPOT	PanAmSat Corporation
PMTC	Parametric Technology Corporation
PAYX	Paychex, Inc.
PSFT	PeopleSoft, Inc.
PMCS	PMC - Sierra, Inc.
QLGC	QLogic Corporation
QCOM	QUALCOMM Incorporated
RATL	Rational Software Corporation
RNWK	RealNetworks, Inc.





Symbol	Company Name
RFMD	RF Micro Devices, Inc.
SANM	Sanmina Corporation
SEBL	Siebel Systems, Inc.
SSCC	Smurfit-Stone Container Corporation
SPLS	Staples, Inc.
SBUX	Starbucks Corporation
SUNW	Sun Microsystems, Inc.
TLAB	Tellabs, Inc.
TMPW	TMP Worldwide Inc.
USAI	USA Networks, Inc.
VRSN	VeriSign, Inc.
VRTS	VERITAS Software Corporation
VTSS	Vitesse Semiconductor Corporation
WCOM	WorldCom, Inc.
XLNX	Xilinx, Inc.
XOXO	XO Communications, Inc.
YHOO	Yahoo! Inc.



FTSE 100 Index

Company	Symbol
3i Grp	III
AB Food	ABF
Abbey National	ANL
Ald.Domecq	ALLD
Alliance&Leic	AL.
Amvescap	AVZ
AngloAmerican	AAL
Arm Holdings	ARM
AstraZeneca	AZN
BAA	BAA
BaeSys.	BA.
Barclays Bank	BARC
BAT	BATS
BG Grp	BG.
Billiton	BLT
BOC Grp	BOC
Boots	BOOT
BpAmoco	BP.
BramblesInds.	BI.
Brit Airways	BAY
British Land	BLND
British Sky Broad.	BSY
British Telecom	BT.A
Cable & Wireless	CW.
CadburySchweppes	CBRY
Canary Wharf Grp	CWG





Company	Symbol
Capita Grp	CPI
Celltech Grp	CCH
Centrica	CNA
CGNU	CGNU
Compass Grp	CPG
Daily Mail Tst. 'A'	DMGT
Diageo	DGE
Dixons Grp	DXNS
Electrocomponents	ECM
EMI Grp	EMI
Enterprise Oil	ETP
FriendsProv	FP.
Gallaher Grp	GLH
GKN	GKN
GlaxoSmithKline	GSK
Granada	GAA
Gus	GUS
Hanson	HNS
Hays	HAS
HBOS	HBOS
Hilton Grp	HG.
HSBCHoldings	HSBA
ICI	ICI
ImperialTobacco	IMT
InnogyHldgs	IOG
IntlPower	IPR
Invensys	ISYS
Kingfisher	KGF



Company	Symbol
Land Secs	LAND
Lattice Grp	LAT
Legal&Gen.Grp	LGEM
Lloyds-TSB	LLOY
Logica	LOG
Man (ED & F) Grp	EMG
Marks & Spencer	MKS
Morrison (W) Supermkt	MRW
National Grid	NGG
Next	NXT
Northern Rock	NRK
Nycomed Amer.	NAM
OldMutual	OML
Pearson	PSON
PowerGen	PWG
Prudential	PRU
ReckittBencksr	RB.
Reed Intl	REED
Rentokil Initial	RTO
Reuters Grp	RTR
Rio Tinto (Reg)	RIO
Rolls-Royce	RR.
Royal & Sun Alliance	RSA
Royal Bank of Scot.	RBOS
Safeway	SFW
Sage Grp	SGE
Sainsbury (J)	SBRY
Schroder Non-Vtg	SDRC





Company	Symbol
SchroderVtg	SDR
Scot & Newcastle	SCTN
Scot & Southern Energy	SSE
Scot Power	SPW
Severn Trent Water Hdq	SVT
Shell Transport (Reg)	SHEL
Shire Pharmaceuticals	SHP
SixCont.	SXC
Smith&Nephew	SN.
Smiths Industries	SMIN
SouthAfricanBreweries	SAB
Stand.Chart.	STAN
Tesco	TSCO
Unilever	ULVR
United Utilities	UU.
Utd.Bus.Media	UBM
Vodafone Grp	VOD
Wolseley	WOS
WPP Grp	WPP

Dow Jones Industrials

Company	Symbol
Alcoa Inc.	AA
American Express Co.	AXP
AT&T Corp	T
Boeing Co.	BA
Caterpillar, Inc.	CAT
Citigroup Inc.	C
Coca-Cola Co.	KO
DuPont (E.I.) deNemours	DD
Eastman Kodak Co.	EK
Exxon Mobil Corp.	XOM
General Electric Co.	GE
General Motors	GM
Hewlett-Packard Co.	HWP
Home Depot, Inc.	HD
Honeywell Int'l. Inc.	HON
Intel Corp.	INTC
International Bus. Mach.	IBM
International Paper Co.	IP
J.P. Morgan & Co.	JPM
Johnson & Johnson	JNJ





Company	Symbol
McDonalds Corp.	MCD
Merck & Co. Inc.	MRK
Microsoft Corp.	MSFT
Minnesota Mining & Mfg.	MMM
Philip Morris	MO
Procter & Gamble Co.	PG
SBC Communications, Inc.	SBC
United Technologies Corp.	UTX
Wal-Mart Stores, Inc.	WMT
Walt Disney Co.	DIS



Stock Trading Terminology

ADR (American Depository Receipt) – A receipt of a foreign security showing it is tradable in the U.S. exchanges.

AMEX – American Stock Exchange.

Analyst – An expert who analyses investment options and market trends.

AON – An order to expedite the whole trade in one transaction.

Ask or Offer – The order price that a seller offers to sell stock.

Bear – Being favorable to lower prices.

Best Ask or Best Offer (Inside Ask or Inside Offer) – The best current selling prices.

Best Bid – The best current buying price.

Beta – A basic measurement of a stock's worth in relation to the overall market.

Bid – The price at which a buyer offers to buy stock.

Block trade – A stock trade involving at least 10,000 or more shares.

Bull or Bullish – Being favorable to higher prices.

Circuit Breaker (Locked Limit Down) – The point at which all trading is halted to prevent further panic during a rapid selloff. Only high priced trades are allowed to resume.

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Closing Period – The last hour or two of trading before the stock market closes at the end of the day.

Crossed Market – When the Inside Bid is greater than the Inside Ask.

Date of Record – The registered date of stock ownership.

Deleted or Delisted – A security that has been removed from public trading.

Downstick (NASDAQ) – When a lower Inside Bid is exposed after a higher Bid has been delisted.

Downstick (NYSE) – When a new trade is lower than a previous trade.

ECN – Electronic Communication Networks used by day traders and institutions to post bids in the NASDAQ market.

Fill – A command to instantly process an entire order.

Fundamental Analysis – Studying a company's financial statements, earnings, products, and economic role in the market.

GTC Order (Good-till-Canceled) – An order that is open for process until canceled.

Hit the Bid – Immediate sell to the current Bid price.

Hit the Offer – Immediate buy from the current Ask price.

Inside Ask or Inside Offer (Best Ask or Best Offer) – The best current selling prices.

Inside Market – The range between the highest Bid price and the lowest offer prices among all competing market makers, or ECNs in a NASDAQ security.

Instinet System (INCA) – An ECN originally designed to allow commercial investors to post anonymous bids to other investors.

Intraday Activity – All trading transactions between the opening and closing of the day.



IPO – Initial Public Offering security that is available for public trading.

Kill – A command to instantly cancel an order.

Last Sale – The most recent stock trade.

Liquidity – The volume of available buyers and sellers.

Limit Order – A specified price order to buy or sell a stock.

Listed Stocks – Stocks that are listed and traded on an exchange and represented by a symbol character.

Locked Limit Down (Circuit Breaker) – The point at which all trading is halted to prevent further panic during a rapid selloff. Only high priced trades are allowed to resume.

Locked Market – When an Inside Bid equals the Inside Offer.

Long Position – When the stock owner is waits for a price move in order to sell at a higher price.

MA – Moving Average.

Mark to Market – A position's value at the most recent closing price.

Market Capitalization (MCAP) – The total market value of all shares, usually derived by multiplying price by Outstanding Shares.

Market Makers – NASDAQ stock representatives to the public who are required to keep an open market by posting a buying and selling price, and trade to fulfill customer orders, including internal accounts for profit.

Market Maker Spread – The difference between prices of the market maker closest to the Inside Bid and the market maker closest to the Inside Ask, excluding ECNs.

Market Order – An order to buy or sell stock at the market's current price.

Market Value – The latest trading price.





Market Value Weighted Index – An index made up of securities with values that heavily influence the market.

Most Active – Stocks with the day's highest trading volume.

Midday Period – The hours between 11:30 a.m. and 1:30 p.m. (EST) for any trading day. Trade during this time generally slows down as people break for lunch.

NASD – National Association of Securities Dealers, an organization responsible for regulating the NASDAQ stock market.

NASDAQ – National Association of Securities Dealers Automated Quotation System, a network on an electronic market system where listed stocks are traded.

NASDAQ 100 Index – an index listing the top 100 valued stocks traded in the NASDAQ market.

NASDAQ Composite Index – an index listing all measured stocks listed on the NASDAQ market.

NASDAQ National Market – The large capital stocks listed on the NASDAQ.

NASDAQ SmallCap Market – The small capital stocks listed on the NASDAQ.

NYSE – The New York Stock Exchange where stocks are traded in an open floor market.

NYSE Composite Index – an index that measures the market value of all NYSE traded stocks.

Open – A market's first traded price for the day.

Open Order – An order open for trade.

Opening Period – The first hour or two of the trading day.



P/E Ratio (Price to Earnings Ratio) – A stock's market measure in relation to actual earnings.

Partial Fill – An order that has been implemented for only part of the requested share size.

Previous Close – The last reported price from the previous trading day.

Prints – A price and size report of actual trades in real-time.

Quarterly Report – A report that the SEC requires companies that trade in public markets to submit on a quarterly basis, publicizing overall performance and financial stability.

Range – The difference between the highest and lowest prices that are traded during a specific given time frame.

Real Time Trade Reporting – When all transactions are instantly requested.

Refresh – when a market maker or ECN places a post to buy or sell more shares after fulfilling an order.

Resistance or Ceiling – The price where enough sellers prevent the price from rising any further.

Retained Earnings – Net profits in a business after all dividends have been paid.

S&P 500 – The Standard & Poor index that represents the top 500 value-measured companies.

SEC (Securities and Exchange Commission) – A federal agency that protects the public investors against fraudulent or manipulative practices in the stock market.

Short Interest – The total number of shortened shares in one specific stock.





Short Sell – The sale of stock with the hope of buying it back later at a lower price.

Slippage – The difference in price from when an order is placed to when it is actually carried out.

SOES – The Small Order Execution System.

SOES Order Entry Firm – A firm from NASD that is registered as an Order Entry Firm for participation in the SOES.

Spread – The difference between the Inside Bid and the Outside Ask.

Stock Dividend – Corporate dividend payment in stock instead of cash.

Stop Loss – A point at which a trader has decided to get out of a trade to prevent further loss.

SuperDOT (Super Designated Order Turnaround) – A NYSE electronic system for placing stock orders directly to the specialist.

Support – The point at which falling stock found buyers to prevent further decline.

Surprise – The price difference between what a trader expects to earn and what they actually earn.

Symbol (NASDAQ Stocks) – NASDAQ symbols of securities made up of four to five letters.

Symbol (NYSE Stocks) – NYSE symbols of one, two or three letters representing securities.

Technical Analysis – Chart patterned studies of price and volume that is unrelated to Fundamental analysis.

Teenie – 0.125 of a point on the stock market.



Trading Halt – An interim stop on the trading of a particular stock because of news that might affect either the price of stock, the flow of orders, or even regulatory rule violations.

Two-Sided Market – The NASD and NASDAQ requirement that appropriate bids and offers are made on each security.

Underwriter – An investment organization that brings a business to public trading.

Uptick (NASDAQ) – A bid posted higher than the previous bid.

Volatility – The amount of price fluctuation regarding a security.

Volume – The number of shares that are either traded in a specific stock or in the stock market as a whole.

